

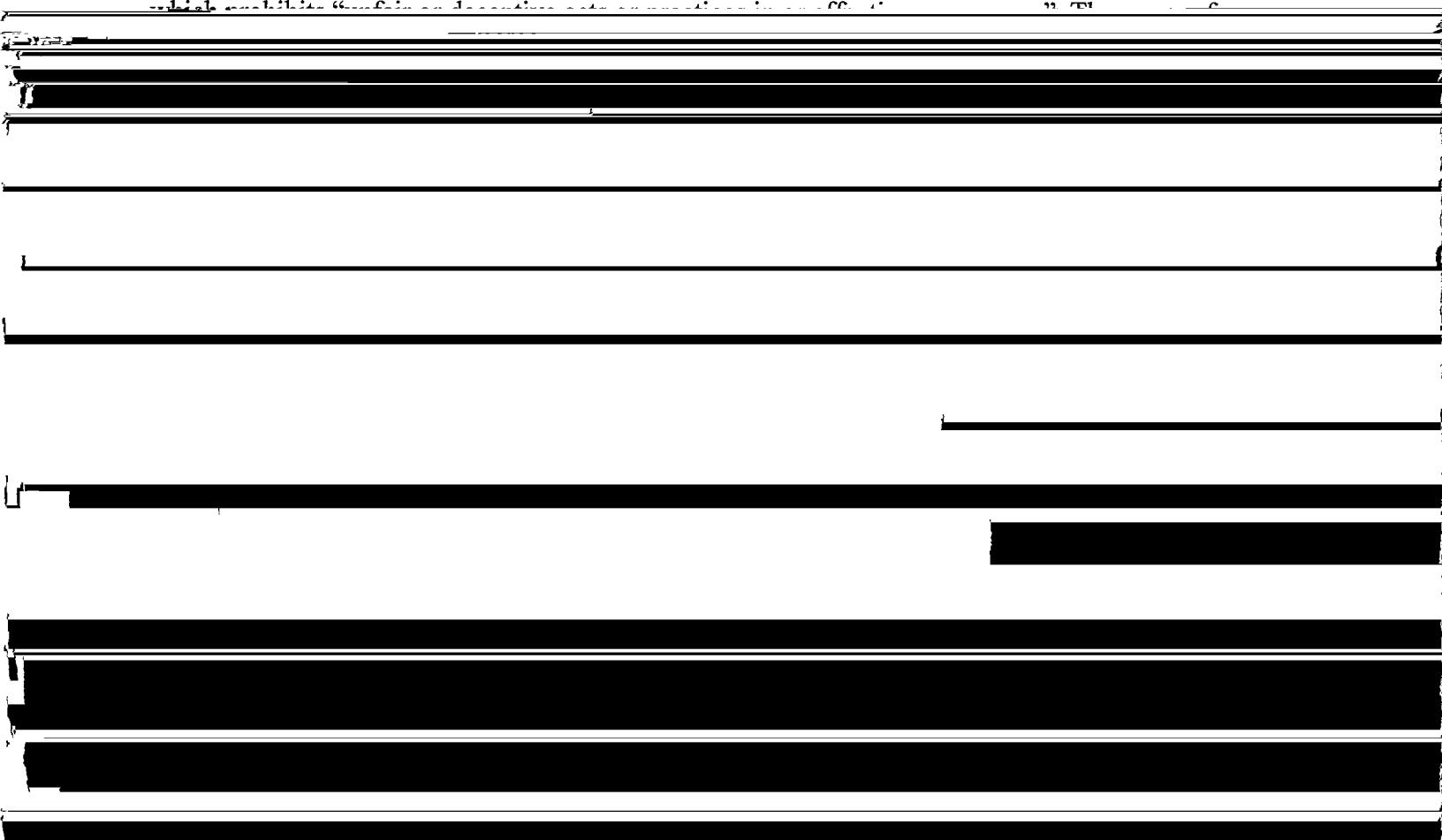
**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Empowering Consumers to Prevent and Detect Billing for Unauthorized Charges ("Cramming"))	CG Docket No. 11-116
)	
Consumer Information and Disclosure)	CG Docket No. 09-158
)	
Truth-in-Billing and Billing Format)	CC Docket No. 98-170

**COMMENT OF THE
FEDERAL TRADE COMMISSION**

I. Introduction

The Federal Trade Commission ("FTC") is an independent administrative agency charged with promoting consumer protection, competition, and the efficient functioning of the marketplace. The keystone of the FTC's law enforcement mission is Section 5 of the FTC Act, which prohibits "unfair or deceptive acts or practices in commerce."



Inquiry. However, since filing its 2009 Comment, a comprehensive investigation and subsequent report by the Senate Committee on Commerce, Science, and Transportation ("Senate

SEN. COMM. ON COMMERCE, SCIENCE, AND TRANSPORTATION, REPORT ON THE INVESTIGATION OF THE

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Section II of this Comment describes the abuse of the third-party telephone billing system and scarcity of evidence of legitimate users. Section III explains that consumers are not likely to notice disclosures concerning third-party billing or the possible option to opt out. Section IV contains the FTC's recommendation, based on the important considerations in Sections II and

this Comment responds to the FCC's request for input concerning the sharing of cramming

showing the legitimacy of their charges or the necessity of having charges placed on a telephone bill. Representatives of the telephone industry provided only two examples of legitimate third-party merchants.¹⁰ Nor did any third-party merchants submit comments advocating for the importance of this billing platform, despite the FTC's call for comments from interested parties. The silence of merchants who use third-party telephone billing calls into question the extent of legitimate third-party billing.

This experience is consistent with the Senate Commerce Committee staff's findings and the FCC's own data. During its exhaustive investigation of cramming, the Commerce Committee staff was unable to identify a legitimate use of the platform and instead found that many third-party vendors were illegitimate and created solely to exploit third-party billing.¹¹

Furthermore, the FCC's own data suggests that crammers are the prime users of third-party

telephone bills. Such a ban could apply to all third-party billing or provide exceptions for

The second, alternative approach would require that all carriers block third-party charges on subscribers' bills until a subscriber affirmatively authorizes such charges.²⁰ If the subscriber wished to have third-party goods or services billed on the account, he or she would specifically

most Better Business Bureaus, the US Postal Inspection Service, and numerous other

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