

***CONSUMER PROTECTION STANDARDS OF PRACTICE OF
THE COALITION TO ENSURE RESPONSIBLE BILLING (“CERB”)***

In order to protect consumers from unauthorized, deceptive or ambiguous charges on their telephone bills, the Members of CERB hereby adopt and agree to be bound by the following Consumer Protection Standards of Practice.



PRE-SCREENING OF PROVIDERS AND SERVICES

Members commit to pre-screening all prospective service providers and the programs, products and services they offer.

■ **SCREENING OF PROVIDERS**

Members will require as a precondition for any business relationships the following:

- Service provider company name and address.
- Names of officers and principals of the company.
- Proof of corporate or partnership status.
- Copies of certifications as required.
- Foreign corporation filings as required.
- Any information regarding whether the company, its affiliates and/or its officers or principals have been subject to prior conviction for fraud or have had billing services terminated.
- That any tariffs be made available on request.
- The names, addresses, officers and principals of any telemarketing companies to be used by the service provider.
- The names, addresses, officers and principals of any third party verification companies to be used by the service provider .

■ **SCREENING OF PROGRAMS, PRODUCTS AND SERVICES**

Members will require the following information to be provided to them:

- Marketing materials.
- Advertisements (print or other media).
- Applicable fulfillment package (which must include cancellation information if not included elsewhere and a toll free customer service telephone number).
- Scripts for both sales and verification.
- Honest, clear, and understandable text phrase for telephone bill.
- Prior notification of any material change in the above information.

Members will not knowingly provide billing for services employing the following practices:

- Box, sweepstakes, or contest-type entry forms.
- Negative option sales offers, including negative option “free-trial” periods.
- 800 pay per call.
- Collect callback.
- Phantom billing (charging for calls never made or services never provided).
- Such other programs, products or services Members determine to be deceptive or anti-consumer.

Each Member will maintain an internal standards committee to review the information collected for both providers and programs. Members of these committees will have no vested sales interest in the acceptance of a service, product or program.



COMPLIANCE MONITORING

In order to better police the business practices of its service providers and to assure the efficiency of its screening procedures Members commit to engage in active monitoring of providers and programs. Members will:

- Monitor consumer inquiries.
- Monitor consumer complaints to government agencies.
- Monitor escalated complaints to the local exchange carrier.
- Maintain up-to-date records regarding complaints and inquiries.
- Adopt action plans to respond to complaints and inquiries.
- Notify service providers of complaints or inquiries.
- Coordinate investigations with service providers.
- Each Member shall take such disciplinary action as each determines is appropriate under the circumstances.



MANDATORY AUTHORIZATION

It is critical that consumers can depend upon their authorization for the service, product or program for which they will be billed. Verification of authorization must be available from service providers, on request, for a two-year period.

- Members will require service providers to employ one of the following forms of authorization, subject to applicable law:
 - Letter of authorization or sales order, or
 - Recorded independent third party verification, or
 - Voice recording of telephone sales authorization.

- A valid authorization must include:
 - The date.
 - The name, address and telephone number of the consumer.
 - Assurance that the consumer is qualified to authorize billing.
 - A description of the product or service.
 - A description of the applicable charges.
 - An explicit consumer acknowledgment that the charges for the product or service will appear on the telephone bill.
 - A toll free telephone number that subscribers may call to make inquiries concerning the service.
 - The acceptance by the consumer of the offer.

- In addition, authorization verified by an independent third party must include:
 - An initial statement that the purpose of the verifications is to confirm the consumer's intention to accept the sales offer.
 - A statement that the service provider is not affiliated with a LEC, where there is no affiliation.
 - A unique consumer identifier.
 - A review by third party personnel of the entire verification where the verification is automated.

- An independent third party verifier must meet the following criteria:
 - It must be completely independent of the service provider and the telemarketer.
 - It must not be owned, managed, controlled or directed by the service provider or the telemarketer.
 - It must not have any financial incentive in the completion of the sale.
 - It must operate in a location physically separate from the service provider and the telemarketer.



CONSUMER-FRIENDLY BILLING PRACTICES

Central to a consumer's right to ensure that they have not been crammed is the ability to understand and read the telephone bill. Members agree that informed consumers can better protect themselves from unauthorized products or services. Members will support providing consumers a bill that can be easily understood.

Consumer bills should include:

- A clear identification of the billing entity.
- A clear identification of the service provider.
- A clear description of products or services.
- A clear identification of the charges.
- The toll free telephone number that subscribers may call to make inquiries concerning the billing.



CONSUMER SATISFACTION

Consumers must be able to easily and quickly discuss problems. Members are committed to monitoring consumer satisfaction particularly with regard to any disputes or inquiries that may arise. Members will provide quick and thorough responses. Members shall provide on request:

- The name, address, phone number and fax number of the service provider.
- The nature of any charge.
- The method of authorization.
- Information as to how a consumer may cancel a service or product.

In addition, in order to facilitate resolution of disputes Members will:

- Provide a toll free customer service number.
- Provide dedicated staff to respond to consumer inquiries.
- Provide a full and timely investigation of any dispute.
- Initiate a credit or respond to the consumer within 30 days of the consumer's dispute.



DISCLOSURE

Members may share with each other and, upon request, will provide federal and state enforcement agencies with the following information:

- Identifying information with respect to terminated service providers and programs.
- A description of specific practices relating to cramming that the Members have encountered, and the steps being taken by the Members to correct them.
- Aggregate data with regard to complaints filed with federal and state government authorities received by Members.

On October 1, 1998, a copy of these Standards of Practice and a list of all Members were sent to the Federal Communications Commission, the Federal Trade Commission and all state Public Utility and Service Commissions and each state Attorney General. These Standards were updated and redistributed to the above parties on November 11, 1999.

Members:

Billing Concepts
Federal TransTel

ILD Teleservices
HBS Billing Services
USP&C

Integretel
OAN Services

The Coalition to Ensure Responsible Billing was formed by the United States' leading billing clearinghouses in an effort to combat consumer fraud on the local telephone bill.

*For more information visit our website at www.cerb.org
or contact us at (202) 424-7522*