



TELECOMMUNICATIONS

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FCC RULES THAT VERIZON MAY NOT USE CUSTOMER PROPRIETARY INFORMATION IN EFFORTS TO RETAIN CUSTOMERS

Washington, DC: *The FCC ruled that Verizon Communications, Inc. may not use customer proprietary information in connection with its efforts to retain customers who are attempting to switch to a cable-provided telephone service. The FCC's ruling came in response to complaints filed by Comcast Corp., Time Warner Cable Inc., who argued that "the practice violated the law because it used proprietary information about customers."*

Verizon Executive Vice President, Tom Tauke, said the FCC's decision is bad because it "enables cable companies to lock in TV customers by forbidding Verizon from providing information about better voice services or prices." In addition, FCC Chairman Kevin Martin argued that Verizon's practice promotes competition, and is inappropriate as it would "prohibit some companies from marketing to retain

their customers, even though the marketing practices prohibited today are similar to the aggressive marketing techniques engaged in by the complainants themselves when they provide cable video service." The cable companies denied that they use customer proprietary information when they try to retain their customers.

Although the FCC's ruling was directed at Verizon's practice in the context of cable competition, it also has significant implications for the local and long distance markets where these kinds of "winback" programs have been utilized to thwart competition from CLECs and resellers for years.

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What do you think: Will the FCC's decision hinder competition to the detriment of consumers? Or was Verizon's "marketing" practice inappropriate? Let us know what you think at our interactive [blog!](#)

If you have questions about this issue, or if we may be of assistance to you, please feel free to contact us.

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