



FEDERAL TRADE COMMISSION

16 CFR Part 308

RIN: 3084-AA78

Trade Regulation Rule Pursuant to the Telephone Disclosure and Dispute

Resolution Act of 1992

AGENCY: Federal Trade Commission.

ACTION: Proposed rule; withdrawal.

SUMMARY: On March 12, 1997, the Federal Trade Commission initiated a review of the effectiveness of its Pay-Per-Call Rule. The Commission sought comment on whether to expand the scope of this rule to cover audio information and entertainment services accessed by dialing telephone numbers that begin with numbers other than “900.” After receiving a small number of comments in favor of this approach, the Commission published a notice of proposed rulemaking to revise this rule on October 30, 1998. While comments received during this review were supportive, technological changes have muted the impact of the proposed revisions and the Commission is withdrawing this proposed rulemaking.

DATES: The proposed rule documents published on March 12, 1997 (62 FR 11750), October 30, 1998 (63 FR 58523), and January 4, 1999 (64 FR 61) are withdrawn as of [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Frances Kern (202-326-2391), Attorney, Division of Marketing Practices, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580.

SUPPLEMENTARY INFORMATION: On March 12, 1997, the Federal Trade Commission (“Commission”) published a document in the *Federal Register* initiating a review of the effectiveness of the Pay-Per-Call Rule. 62 FR 11750. Among other things,

the Pay-Per-Call Rule requires disclosures about the cost of telephone-based entertainment or information services that consumers access by dialing a 900 number and mandates that consumers be given the opportunity to hang up the phone before being charged. *See* 16 CFR 308.1 through 308.8. The Commission also sought comment on whether to expand the scope of the rule to cover audio information and entertainment services accessed by dialing telephone numbers that begin with numbers other than “900”.

After receiving a small number of comments in favor of this approach, the Commission published a notice of proposed rulemaking (“NPRM”) to amend the rule on October 30, 1998. 63 FR 58523. Following two additional rounds of public comment and a two-day public workshop on the proposed changes, support to amend the Pay-Per-Call Rule proved limited.¹ Additionally, technological changes have muted the impact of the proposed amendments. Not only did the use of 900 numbers decline precipitously after issuance of the NPRM,² ultimately resulting in the major U.S. telecommunications providers of 900-number services discontinuing those services,³ but such reduction in use likewise diminished the necessity of Commission enforcement of the Rule. The Commission last brought an action under the rule in 2003.⁴ Accordingly, the review of the

¹ On January 4, 1999, the Commission extended the comment period and announced changes to the dates of the public workshops held as a part of this rulemaking review. 64 FR 61.

² Indeed, the services previously offered through 900 numbers for a fee often came to be found for free on the internet. *See* Steven Melendez, *How Dialing 1-900 in the '90s Foreshadowed the Internet*, FAST COMPANY, Nov. 23, 2015, <https://www.fastcompany.com/3053732/how-dialing-1-900-in-the-90s-foreshadowed-the-internet>.

³ AT&T, Sprint, and Verizon/MCI stopped providing 900-number services in 2004, 2008, and 2013, respectively. *See* Federal Communications Commission, *Comments Invited on Application of MCI Communications Services, Inc. d/b/a Verizon Business Services to Discontinue Domestic Telecommunications Services*, WC Docket No. 13-139, DA 13-1256 (May 30, 2013); Federal Communications Commission, Order, *In re Section 63.71 Application of Sprint Communications Company L.P. for Authority to Discontinue Domestic Telecommunications Services*, WC Docket No. 08-116, DA 08-2557 (Nov. 24, 2008); Federal Communications Commission, Memorandum Opinion and Order, *In re AT&T Communications' Application to Discontinue Domestic Telecommunications Services*, Comp. Pol. File No. 645, DA 03-3743 (Nov. 21, 2003).

⁴ *Federal Trade Commission v. Alyon Technologies, Inc.*, ECF No. 1, No. 03-cv-1297 (N.D. Ga. May 13, 2003). The Department of Justice, acting on referral from the Commission, last brought a claim under the Rule in 2004. *See U.S. v. Telemarketing, Inc.*, ECF No. 1, No. 04-cv-1083 (N.D. Cal. Mar. 18, 2004).

Pay-Per-Call Rule begun on March 12, 1997, is terminated, and the Commission withdraws this proposed rulemaking.

By direction of the Commission.

April J. Tabor,

Secretary.

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