



FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 64

[CG Docket No. 17-169, CC Docket No. 98-170; FCC 25-41; FR ID 308892]

Protecting Consumers from Unauthorized Carrier Changes and Related Unauthorized

Charges: Truth-in-Billing and Billing Format

AGENCY: Federal Communications Commission.

ACTION: Proposed rule.

SUMMARY: In this Notice of Proposed Rulemaking (NPRM), the Commission seeks comment on whether the current slamming and truth-in-billing rules remain necessary today to protect consumers. The Commission proposes changes to modernize and simplify these rules to reflect the evolution of the telecommunications marketplace, retain core consumer protections against unauthorized carriers switches and charges, and reduce regulatory burdens. The Commission seeks comment on whether the slamming rules remain necessary, and if such rules are necessary, the document proposes to modernize and streamline the current rules consistent with the statutory requirements of section 258 of the Communications Act of 1934, as amended (the Act). The Commission seeks comment on whether the truth-in-billing rules remain necessary and if such rules are necessary, the Commission seeks comment on streamlining them.

DATES: Comments are due on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER] and reply comments are due on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: You may submit comments, identified by CG Docket No. 17-169 and CC Docket No. 98-170, by any of the following methods:

- *Electronic Filers:* Comments may be filed electronically using the Internet by accessing the ECFS: <https://www.fcc.gov/ecfs/>.

- *Paper Filers:* Parties who choose to file by paper must file an original and one copy of each filing.

Filings can be sent by commercial courier, or by U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- Hand-delivered or messenger-delivered paper filings (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.
- U.S. Postal Service first-class, Express, and Priority mail must be addressed to 45 L Street NE, Washington, D.C. 20554.
- Hand-delivered or messenger-delivered paper filings for the Commission's Secretary are accepted between 8:00 a.m. and 4:00 p.m. by the FCC's mailing contractor at 9050 Junction Drive, Annapolis Junction, MD 20701. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.

People with Disabilities. To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an e-mail to FCC504@fcc.gov or call the Consumer and Governmental Affairs Bureau at 202-418-0530 (voice).

FOR FURTHER INFORMATION CONTACT: Mika Savir of the Consumer Policy Division, Consumer and Governmental Affairs Bureau, at Mika.Savir@fcc.gov or (202) 418-0384.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Notice of Proposed Rulemaking (NPRM), in CG Docket No. 17-169 and CC Docket No. 98-170; FCC 25-41, adopted on July 24, 2025 and released on July 25, 2025. The full text of this document is available online at <https://docs.fcc.gov/public/attachments/FCC-25-41A1.pdf>.

This matter shall be treated as a "permit-but-disclose" proceeding in accordance with the

Commission's *ex parte* rules. 47 CFR 1.1200 *et seq.* Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentations must contain summaries of the substance of the presentations and not merely a listing of the subjects discussed. *See* 47 CFR 1.1206(b). Other rules pertaining to oral and written *ex parte* presentations in permit-but-disclose proceedings are set forth in § 1.1206(b) of the Commission's rules, 47 CFR 1.1206(b).

Initial Paperwork Reduction Act of 1995 Analysis

This document may contain proposed new or modified information collection requirements. The Commission, as part of its continuing effort to reduce paperwork burdens, invites the general public and the Office of Management and Budget (OMB) to comment on any information collection requirements contained in this document, as required by the Paperwork Reduction Act of 1995, Public Law 104-13. Pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, *see* 44 U.S.C. 3506(c)(4), the Commission seeks specific comment on how to further reduce the information collection burden for small business concerns with fewer than 25 employees.

Synopsis

1. In this document, the Commission seeks comment on whether slamming, billing comprehension, and cramming are still such a consumer problem that the Commission should keep the current slamming and truth-in-billing rules. If so, the Commission proposes and seeks comment on modernizing and simplifying the rules while preserving the core consumer protections. The Commission proposes to adopt a unified approach to the slamming and billing rules to favor rules that are clear, enforceable, easy-to-understand and implement, and that do not unnecessarily impede innovation. The existing slamming and billing rules may be outdated due to changes in the telephone service market or technology more generally.

2. The Commission promulgated the slamming rules decades ago when consumers frequently had separate local and interexchange carriers and when slamming was a significant consumer issue. Slamming no longer appears to be a consumer problem, yet the current rules

prescribe detailed methods of proving consumer consent to a switch. Are the consumer harms that gave rise to the rules still enough of a problem to justify the rules? Can the Commission eliminate the slamming rules and still enforce section 258's requirement that carriers "submit or execute a change in a subscriber's selection of a provider of telephone exchange service or telephone toll service . . . in accordance with such verification procedures as the Commission shall prescribe."

3. The Commission promulgated the truth-in-billing rules more than a quarter century ago, at a time when confusion about bills and the possibility of third-party scam charges were much more prominent, along with the slamming that the rules made easier to detect. Are the consumer harms that gave rise to the rules still enough of a problem to justify bill regulation? Are consumers protected in other ways that suggest they no longer need federal rules, or at least Commission rules, to protect them? What are the harms of continuing to keep the rules in terms of compliance costs and to innovation in billing and pricing?

4. If the slamming and truth-in-billing rules remain necessary, the Commission seeks comment on proposals to modernize and streamline the rules in order to protect consumers, promote innovation and competition, and avoid imposing unnecessary costs or regulatory burdens on carriers. In addition to the rule language itself, the Commission proposes to consolidate both subjects into a single rule section. Under this proposal, the Commission would consolidate the rules in a single subpart that is titled "Protecting Consumers from Unauthorized Charges and Provider Switches." Would this make compliance easier? Would it help consumers to more easily locate and understand the rules' related protections?

5. Does the Commission's proposed consolidation promote the goal of rules that are clear, enforceable, easy-to-understand and implement, and that do not unnecessarily impede innovation that benefits consumers? Are there other ways the Commission might reorganize the rules to serve the same goals? Are there other rules that could be consolidated into this subsection to further promote these principles? Would a consolidated and streamlined approach

better reflect both current market offerings and the way consumers receive communications services? Are there disparate compliance burdens between large and small carriers that necessitate additional rules changes?

6. *Slamming*. If slamming rules are retained, the Commission proposes to modernize and streamline the current rules consistent with the statutory requirements of section 258 of the Communications Act. The Commission proposes to replace the prescriptive rules for verifying consumer switches with a simple requirement that would ensure consumers authorize carrier switches, but also give providers flexibility in how they demonstrate that authorization. The Commission proposes to eliminate the rules related to Third Party Verification, Letters of Agency, an electronic authorization, and state-enacted verification procedures applicable to intrastate service. The Commission also proposes to eliminate the requirement that providers ensure consumers can stop, or freeze, any attempt to switch their provider. The Commission proposes this because slamming appears to be a waning consumer issue and thus the need for detailed authorization rules no longer appears necessary.

7. In addition, the Commission proposes to delete “Consumer & Governmental Affairs Bureau, for resolution of the complaint” from § 64.1150(b). This language is not necessary because informal complaints are filed with the Commission, generally through its website, and, although the Consumer and Governmental Affairs Bureau traditionally processes such complaints, complaints could be processed elsewhere in the Commission.

8. The Commission also proposes to delete sections 47 CFR §§ 64.1150(e) and 64.1160(e) and replace those sections with a new section 47 CFR § 64.1110(c). These two sections consist of identical “Election of forum” language, and the Commission proposes to replace the two subsections with one subsection that contains the same language. The Commission seeks comment on these proposals.

9. The Commission proposes a streamlined rule for proving consent for a carrier change. Specifically, a new rule that states:

No telecommunications carrier shall submit or execute a change on the behalf of a subscriber in the subscriber's selection of a provider of telecommunications service except in accordance with carrier procedures reasonably designed to obtain verification of the consent of the subscriber. No telecommunications carrier may engage in any material misrepresentation to obtain a subscriber's consent to change a provider of telecommunications service. In the event of a dispute, the provider must prove with clear and convincing evidence that it followed its procedures to verify that the switch was authorized and that the provider did not engage in any material misrepresentation to obtain such consent. Nothing in this section shall preclude any state commission from enforcing these procedures with respect to intrastate services.

10. In sum, the Commission proposes to replace 47 CFR §64.1120's five subsections and § 64.1130 with a single paragraph that prohibits a carrier from submitting or executing a provider change without proper authorization and states the clear and convincing strict evidentiary standard providers must meet, while maintaining the important requirement for consumer authorization and the prohibition against misrepresentation.

11. Does the Commission's proposal achieve the goals of modernizing the rules while preserving consumer protection against unauthorized switches? Commenters opposing the proposed elimination of the verification rules should explain how such rules remain relevant and useful. Does the misrepresentation prohibition offer sufficient protection for consumers so that the comprehensive verification rules are unnecessary? Do the current rules deter consumers who continue to subscribe to separate local and long distance landline service from switching from one preferred carrier to another? Would the proposed rule curtail current marketplace practices that benefit consumers?

12. *Truth-in-Billing.* The Commission stated that if the billing rules remain necessary, the rules should be modernized and simplified. The Commission designed the rules to help consumers understand their bills and to deter slamming and cramming. These consumer

harms appear to no longer be a significant consumer issue, yet the rules' complexity may inhibit innovative billing structures and impose unnecessary regulatory burdens.

13. The Commission proposes to eliminate the requirements that bills contain a separate section for third party charges, that bills contain specific contact information, and that providers offering subscribers the option to block third-party charges must notify subscribers of this option and prominently disclose that to consumers on each telephone bill and at the point-of-sale and on carrier websites. The Commission also proposes to eliminate the "purpose" section of the rules as unnecessary. The Commission further proposes to eliminate the requirements in § 64.2401(a)(2) and (c). The Commission seeks comment on these proposals.

14. The Commission believes that there is no longer a need to maintain third-party billing rules that may stifle innovation and prevent carriers from communicating information in ways that best meet consumer expectations. The Commission seeks comment on this view, along with the burdens that maintaining these rules would impose on carriers.

15. The Commission proposes to revise the rules that prescribe several ways consumers can contact carriers to ask questions about billing. This section includes requirements to prominently display a toll-free telephone number on each paper bill and to provide a physical address upon request by a consumer. The Commission believes much of consumer contact with carriers has evolved away from the use of toll-free numbers and physical mail, making this rule unnecessary. Moreover, to the extent there remains consumer demand for toll-free numbers, providers are free to include them in bills or other locations, such as on their websites. The Commission seeks comment on this view, including the burdens on providers of keeping these rules.

16. The Commission proposes to retain the core of the billing rules and to streamline them. Specifically, the Commission proposes to simplify the requirements to specify that telephone bills must be clearly organized and contain clear and conspicuous disclosure of any information that the subscriber may need to make inquiries about, or contest, charges on the bill.

The bill must also clearly and conspicuously identify any change in service provider, including identification of charges from any new service provider, and the name of the service provider associated with each charge and a brief, clear, non-misleading, plain language description of the service or services rendered. The Commission proposes to retain the existing definition of “clear and conspicuous” as notice that would be apparent to the reasonable consumer. The Commission also proposes to retain the prohibition against unauthorized charges.

17. The Commission seeks comment on these proposals. Would the proposed changes ensure that consumers receive the information they need to understand their bills and protect them from bogus charges? Would the proposed rules give carriers sufficient flexibility in their billing practices to better serve customers, including people with disabilities? Would they give service providers sufficient flexibility in their billing practices to better serve customers? Do the Commission’s current rules deter providers from adopting improvements to billing systems for fear that such improvements will not meet requirements of the billing rules? The emergence of Artificial Intelligence (AI)-driven fraud poses threats to consumers in different arenas. Companies across a variety of industries are also increasingly using AI to enhance and automate business practices. How should the emergence of AI inform any changes the Commission adopts for the billing rules? Is there a risk that billing problems, including cramming, will reemerge if the Commission streamlines the rules as proposed? Are there other changes the Commission should consider adopting, either in addition to or instead of this proposal? The Commission seeks comment on these proposals.

18. Does the existing definition of “clear and conspicuous” provide sufficient clarity for consumers and providers? Alternatively, should the Commission adopt the Federal Trade Commission’s (FTC’s) definition of clear and conspicuous? The FTC defines clear and conspicuous to be a notice that “is reasonably understandable and designed to call attention to the nature and significance of the information in the notice.” The FTC definition also includes subsections defining “reasonably understandable” and “designed to call attention,” and explains

“notices on websites or within-application messaging.” Are there other parts of the FTC rule that the Commission should consider?

19. *Costs and Benefits.* In this document the Commission proposes to consolidate and simplify the slamming and billing rules and remove detailed requirements that may no longer be necessary due to changes in the telecommunications industry and consumer preferences. If the Commission were to adopt these proposals, the rules’ essential consumer protections would remain. Further, providers would be granted more flexibility to innovate their processes should they decide to do so.

20. The Commission does not anticipate that the proposed changes would impose any additional cost to consumers, particularly because the proposed rules retain the important prohibitions against misrepresentation and unauthorized charges. The Commission has not received consumer complaints alleging violations of the slamming and billing rules recently, and detailed requirements may no longer be necessary to protect consumers and therefore, it seems unlikely that streamlining these rules as proposed would harm consumers. Further, the Commission does not expect these proposals to increase carrier costs. Carrier practices that satisfy the current rules would comply with the proposed changes. That is, a provider would not need to revise its bills or processes to comply with the proposed changes.

21. Accordingly, the Commission tentatively concludes that the costs associated with the proposed rules are negligible and that the benefits associated with the proposed rules, which would consist of fewer requirements for carriers to follow when providing information on bills and when implementing a carrier change, outweigh the costs. The Commission seeks comment on this tentative conclusion and more generally on the benefits and costs associated with adopting the proposals set forth in this NPRM. Comments should be accompanied by specific data and analysis supporting claimed costs and benefits.

22. *Legal Authority.* The Commission believes that it has the legal authority to make the changes discussed in this document under sections 201(b) and 258 of the Communications

Act. The Commission has based its slamming, cramming, and billing rules on these statutory provisions in the past. Section 201(b) prohibits telecommunications carriers from engaging in unjust and unreasonable practices, which the Commission has found includes both deceptive marketing practices as well as deceptive billing practices. Section 258 prohibits carriers executing a switch unless they do so “in accordance with such verification procedures as the Commission shall prescribe.”

23. The Commission tentatively concludes, for example, that the proposed rule changes, specifically, the proposed revisions to § 64.1120, would establish “verification procedures” consistent with the authority specified in section 258 of the Communications Act. Do commenters agree? Are there other sources of authority on which the Commission could rely to adopt any of the rules discussed in this document?

24. *Initial Regulatory Flexibility Analysis.* As required by the Regulatory Flexibility Act of 1980, as amended (RFA), the Federal Communications Commission (Commission) has prepared this Initial Regulatory Flexibility Analysis (IRFA) of the policies and rules proposed in the Notice of Proposed Rulemaking (NPRM) assessing the possible significant economic impact on a substantial number of small entities. The Commission requests written public comments on this IRFA. Comments must be identified as responses to the IRFA and must be filed by the deadlines for comments specified on the first page of the NPRM. The Commission will send a copy of the NPRM, including this IRFA, to the Chief Counsel for Advocacy of the Small Business Administration (SBA). In addition, the NPRM and IRFA (or summaries thereof) will be published in the Federal Register.

25. *Need for, and Objectives of, the Proposed Rules.* In the NPRM, the Commission proposes to streamline the slamming and Truth-in-Billing (billing) rules. More specifically, the Commission proposes to reduce some of the requirements for carrier change verification under the slamming rules, while keeping the essential parts of these rules for consumer protection. The streamlining the Commission proposes is appropriate due to evolving technology and

consumers' migration away from traditional local and long distance service and increased adoption of Voice over Internet Protocol (VoIP) service or Commercial Mobile Radio Service (CMRS) as their all-distance sole telephone service. The Commission proposes streamlining the billing rules to eliminate procedures that are no longer needed. Existing rules required providers ensure that consumers' telephone bills are clearly organized, display the name of each service provider, and contain descriptions of charges that are brief, clear, and non-misleading. Through this proposed streamlining, the Commission seeks continued protection of consumers from unauthorized carrier changes and charges while ensuring the information on their bills is clear so that they can make informed choices.

26. *Legal Basis.* The proposed action is authorized pursuant to sections 1-4, 201(b) and 258 of the Communications Act of 1934, as amended, 47 U.S.C. 151-154, 201(b), 258.

27. *Description and Estimate of the Number of Small Entities to Which the Proposed Rules Will Apply.* The RFA directs agencies to provide a description of and, where feasible, an estimate of the number of small entities that may be affected by the proposed rules, if adopted. The RFA generally defines the term "small entity" as having the same meaning as the terms "small business," "small organization," and "small governmental jurisdiction." In addition, the term "small business" has the same meaning as the term "small business concern" under the Small Business Act." A "small business concern" is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA.

28. *Small Businesses, Small Organizations, Small Governmental Jurisdictions.* The Commission's actions, over time, may affect small entities that are not easily categorized at present. The Commission therefore describe three broad groups of small entities that could be directly affected by its actions. First, while there are industry specific size standards for small businesses that are used in the regulatory flexibility analysis, in general, a small business is an independent business having fewer than 500 employees. These types of small businesses

represent 99.9% of all businesses in the United States, which translates to 34.75 million businesses. Next, “small organizations” are not-for-profit enterprises that are independently owned and operated and not dominant their field. While the Commission does not have data regarding the number of non-profits that meet that criteria, over 99 percent of nonprofits have fewer than 500 employees. Finally, “small governmental jurisdictions” are defined as cities, counties, towns, townships, villages, school districts, or special districts with populations of less than fifty thousand. Based on the 2022 U.S. Census of Governments data, the Commission estimates that at least 48,724 out of 90,835 local government jurisdictions have a population of less than 50,000.

29. *Local Exchange Carriers (LECs)*. Neither the Commission nor the SBA has developed a size standard for small businesses specifically applicable to local exchange services. Providers of these services include both incumbent and competitive local exchange service providers. Wired Telecommunications Carriers is the closest industry with an SBA small business size standard. Wired Telecommunications Carriers are also referred to as wireline carriers or fixed local service providers. The SBA small business size standard for Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small. U.S. Census Bureau data for 2017 show that there were 3,054 firms that operated in this industry for the entire year. Of this number, 2,964 firms operated with fewer than 250 employees. Additionally, based on Commission data in the 2022 Universal Service Monitoring Report, as of December 31, 2021, there were 4,590 providers that reported they were fixed local exchange service providers. Of these providers, the Commission estimates that 4,146 providers have 1,500 or fewer employees. Consequently, using the SBA’s small business size standard, most of these providers can be considered small entities.

30. *Incumbent Local Exchange Carriers (Incumbent LECs)*. Neither the Commission nor the SBA have developed a small business size standard specifically for incumbent local exchange carriers. Wired Telecommunications Carriers is the closest industry with an SBA

small business size standard. The SBA small business size standard for Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small. U.S. Census Bureau data for 2017 show that there were 3,054 firms in this industry that operated for the entire year. Of this number, 2,964 firms operated with fewer than 250 employees. Additionally, based on Commission data in the 2022 Universal Service Monitoring Report, as of December 31, 2021, there were 1,212 providers that reported they were incumbent local exchange service providers. Of these providers, the Commission estimates that 916 providers have 1,500 or fewer employees. Consequently, using the SBA's small business size standard, the Commission estimates that the majority of incumbent local exchange carriers can be considered small entities.

31. *Competitive Local Exchange Carriers (CLECs)*. Neither the Commission nor the SBA has developed a size standard for small businesses specifically applicable to local exchange services. Providers of these services include several types of competitive local exchange service providers. Wired Telecommunications Carriers is the closest industry with a SBA small business size standard. The SBA small business size standard for Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small. U.S. Census Bureau data for 2017 show that there were 3,054 firms that operated in this industry for the entire year. Of this number, 2,964 firms operated with fewer than 250 employees. Additionally, based on Commission data in the 2022 Universal Service Monitoring Report, as of December 31, 2021, there were 3,378 providers that reported they were competitive local service providers. Of these providers, the Commission estimates that 3,230 providers have 1,500 or fewer employees. Consequently, using the SBA's small business size standard, most of these providers can be considered small entities.

32. *Interexchange Carriers (IXCs)*. Neither the Commission nor the SBA have developed a small business size standard specifically for Interexchange Carriers. Wired Telecommunications Carriers is the closest industry with a SBA small business size standard.

The SBA small business size standard for Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small. U.S. Census Bureau data for 2017 show that there were 3,054 firms that operated in this industry for the entire year. Of this number, 2,964 firms operated with fewer than 250 employees. Additionally, based on Commission data in the 2022 Universal Service Monitoring Report, as of December 31, 2021, there were 127 providers that reported they were engaged in the provision of interexchange services. Of these providers, the Commission estimates that 109 providers have 1,500 or fewer employees. Consequently, using the SBA's small business size standard, the Commission estimates that the majority of providers in this industry can be considered small entities.

33. *Local Resellers.* Neither the Commission nor the SBA have developed a small business size standard specifically for Local Resellers. Telecommunications Resellers is the closest industry with a SBA small business size standard. The Telecommunications Resellers industry comprises establishments engaged in purchasing access and network capacity from owners and operators of telecommunications networks and reselling wired and wireless telecommunications services (except satellite) to businesses and households. Establishments in this industry resell telecommunications; they do not operate transmission facilities and infrastructure. Mobile virtual network operators (MVNOs) are included in this industry. The SBA small business size standard for Telecommunications Resellers classifies a business as small if it has 1,500 or fewer employees. U.S. Census Bureau data for 2017 show that 1,386 firms in this industry provided resale services for the entire year. Of that number, 1,375 firms operated with fewer than 250 employees. Additionally, based on Commission data in the 2022 Universal Service Monitoring Report, as of December 31, 2021, there were 207 providers that reported they were engaged in the provision of local resale services. Of these providers, the Commission estimates that 202 providers have 1,500 or fewer employees. Consequently, using the SBA's small business size standard, most of these providers can be considered small entities.

34. *Toll Resellers.* Neither the Commission nor the SBA have developed a small

business size standard specifically for Toll Resellers. Telecommunications Resellers is the closest industry with a SBA small business size standard. The Telecommunications Resellers industry comprises establishments engaged in purchasing access and network capacity from owners and operators of telecommunications networks and reselling wired and wireless telecommunications services (except satellite) to businesses and households. Establishments in this industry resell telecommunications; they do not operate transmission facilities and infrastructure. Mobile virtual network operators (MVNOs) are included in this industry. The SBA small business size standard for Telecommunications Resellers classifies a business as small if it has 1,500 or fewer employees. U.S. Census Bureau data for 2017 show that 1,386 firms in this industry provided resale services for the entire year. Of that number, 1,375 firms operated with fewer than 250 employees. Additionally, based on Commission data in the 2022 Universal Service Monitoring Report, as of December 31, 2021, there were 457 providers that reported they were engaged in the provision of toll services. Of these providers, the Commission estimates that 438 providers have 1,500 or fewer employees. Consequently, using the SBA's small business size standard, most of these providers can be considered small entities.

35. *Other Toll Carriers.* Neither the Commission nor the SBA has developed a definition for small businesses specifically applicable to Other Toll Carriers. This category includes toll carriers that do not fall within the categories of interexchange carriers, operator service providers, prepaid calling card providers, satellite service carriers, or toll resellers. Wired Telecommunications Carriers is the closest industry with a SBA small business size standard. The SBA small business size standard for Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small. U.S. Census Bureau data for 2017 show that there were 3,054 firms in this industry that operated for the entire year. Of this number, 2,964 firms operated with fewer than 250 employees. Additionally, based on Commission data in the 2022 Universal Service Monitoring Report, as of December 31, 2021, there were 90 providers that reported they were engaged in the provision of other toll services.

Of these providers, the Commission estimates that 87 providers have 1,500 or fewer employees. Consequently, using the SBA's small business size standard, most of these providers can be considered small entities.

36. *Wireless Telecommunications Carriers (except Satellite).* This industry comprises establishments engaged in operating and maintaining switching and transmission facilities to provide communications via the airwaves. Establishments in this industry have spectrum licenses and provide services using that spectrum, such as cellular services, paging services, wireless Internet access, and wireless video services. The SBA size standard for this industry classifies a business as small if it has 1,500 or fewer employees. U.S. Census Bureau data for 2017 show that there were 2,893 firms in this industry that operated for the entire year. Of that number, 2,837 firms employed fewer than 250 employees. Additionally, based on Commission data in the 2022 Universal Service Monitoring Report, as of December 31, 2021, there were 594 providers that reported they were engaged in the provision of wireless services. Of these providers, the Commission estimates that 511 providers have 1,500 or fewer employees. Consequently, using the SBA's small business size standard, most of these providers can be considered small entities.

37. *Satellite Telecommunications.* This industry comprises firms "primarily engaged in providing telecommunications services to other establishments in the telecommunications and broadcasting industries by forwarding and receiving communications signals via a system of satellites or reselling satellite telecommunications." Satellite telecommunications service providers include satellite and earth station operators. The SBA small business size standard for this industry classifies a business with \$44 million or less in annual receipts as small. U.S. Census Bureau data for 2017 show that 275 firms in this industry operated for the entire year. Of this number, 242 firms had revenue of less than \$25 million. Consequently, using the SBA's small business size standard most satellite telecommunications service providers can be considered small entities. The Commission notes however, that the SBA's revenue small

business size standard is applicable to a broad scope of satellite telecommunications providers included in the U.S. Census Bureau's Satellite Telecommunications industry definition.

Additionally, the Commission neither requests nor collects annual revenue information from satellite telecommunications providers, and is therefore unable to more accurately estimate the number of satellite telecommunications providers that would be classified as a small business under the SBA size standard.

38. *All Other Telecommunications.* This industry is comprised of establishments primarily engaged in providing specialized telecommunications services, such as satellite tracking, communications telemetry, and radar station operation. This industry also includes establishments primarily engaged in providing satellite terminal stations and associated facilities connected with one or more terrestrial systems and capable of transmitting telecommunications to, and receiving telecommunications from, satellite systems. Providers of Internet services (e.g. dial-up ISPs) or Voice over Internet Protocol (VoIP) services, via client-supplied telecommunications connections are also included in this industry. The SBA small business size standard for this industry classifies firms with annual receipts of \$40 million or less as small. U.S. Census Bureau data for 2017 show that there were 1,079 firms in this industry that operated for the entire year. Of those firms, 1,039 had revenue of less than \$25 million. Based on this data, the Commission estimates that the majority of “All Other Telecommunications” firms can be considered small.

39. *Wired Telecommunications Carriers.* The U.S. Census Bureau defines this industry as establishments primarily engaged in operating and/or providing access to transmission facilities and infrastructure that they own and/or lease for the transmission of voice, data, text, sound, and video using wired communications networks. Transmission facilities may be based on a single technology or a combination of technologies. Establishments in this industry use the wired telecommunications network facilities that they operate to provide a variety of services, such as wired telephony services, including VoIP services, wired (cable)

audio and video programming distribution, and wired broadband Internet services. By exception, establishments providing satellite television distribution services using facilities and infrastructure that they operate are included in this industry. Wired Telecommunications Carriers are also referred to as wireline carriers or fixed local service providers.

40. The SBA small business size standard for Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small. U.S. Census Bureau data for 2017 show that there were 3,054 firms that operated in this industry for the entire year. Of this number, 2,964 firms operated with fewer than 250 employees. Additionally, based on Commission data in the 2022 Universal Service Monitoring Report, as of December 31, 2021, there were 4,590 providers that reported they were engaged in the provision of fixed local services. Of these providers, the Commission estimates that 4,146 providers have 1,500 or fewer employees. Consequently, using the SBA's small business size standard, most of these providers can be considered small entities.

41. *Description of Projected Reporting, Recordkeeping, and Other Compliance Requirements for Small Entities.* The NPRM includes proposals to streamline the Commission's rules. The proposals do not impose any additional burdens on small entities; instead, the proposed rules, if adopted, would permit small entities more flexibility and fewer requirements when effecting a carrier change or billing a customer for telecommunications services.

42. *Steps Taken to Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered.* The RFA directs agencies to provide a description of any significant alternatives to the proposed rules that would accomplish the stated objectives of applicable statutes, and minimize any significant economic impact on small entities. The discussion is required to include alternatives such as: "(1) the establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance and reporting requirements under the rule for such small entities; (3) the use of performance rather

than design standards; and (4) an exemption from coverage of the rule, or any part thereof, for such small entities.”

43. In the document, the Commission is proposing to reduce regulatory burdens on all carriers, including small entities. The Commission is proposing to streamline the slamming and billing rules for all carriers; however, providers would still be in compliance with the rules if they followed the existing rules instead of the proposed streamlined rules. The Commission seeks comment on whether there are additional regulatory reforms that are needed to address disparate compliance burdens between large and small carriers with respect to the existing rules.

44. *Federal Rules that May Duplicate, Overlap, or Conflict with the Proposed Rules.*
None.

List of Subjects in 47 CFR Part 64

Communications common carriers, Reporting and recordkeeping requirements,
Telecommunications, Telephone.

Federal Communications Commission.

Marlene Dortch,
Secretary.

Proposed Rules

For the reasons discussed in the preamble, the Federal Communications Commission proposes to amend 47 CFR part 64 to read as follows:

PART 64 – MISCELLANEOUS RULES RELATING TO COMMON CARRIERS

1. The Authority citation for Part 64 continues to read as follows:

Authority: 47 U.S.C. 151, 152, 154, 201, 202, 217, 218, 220, 222, 225, 226, 227, 227b, 228, 251(a), 251(e), 254(k), 255, 262, 276, 403(b)(2)(B), (c), 616, 620, 716, 1401-1473, unless otherwise noted; Pub. L. 115-141, Div. P, sec. 503, 132 Stat. 348, 1091; Pub. L. 117-338, 136 Stat. 6156.

2. Amend the title by revising Subpart K to read as follows:

Subpart K— Protecting Consumers from Unauthorized Charges and Provider Switches

§ 64.1110 State notification of election to administer FCC rules.

3. Amend § 64.1110 by adding a new paragraph (c) to read as follows:

(c) The Federal Communications Commission will not adjudicate a complaint filed pursuant to §§ 1.719 or §§ 1.720-1.740 of this chapter, involving an alleged unauthorized change, as defined by § 64.1100(e), while a complaint based on the same set of facts is pending with a state commission.

§ 64.1120 Verification of orders for telecommunications service.

4. Revise § 64.1120 to read as follows:

(a) No telecommunications carrier shall submit or execute a change on the behalf of a subscriber in the subscriber's selection of a provider of

telecommunications service except in accordance with carrier procedures reasonably designed to obtain verification of the consent of the subscriber. No telecommunications carrier may engage in any material misrepresentation to obtain a subscriber's consent to change a provider of telecommunications service. In the event of a dispute, the provider must prove with clear and convincing evidence that it followed its procedures to verify that the switch was authorized and that the provider did not engage in any material misrepresentation to obtain such consent. Nothing in this section shall preclude any state commission from enforcing these procedures with respect to intrastate services.

5. Remove § 64.1130.

§ 64.1150 Procedures for resolution of unauthorized changes in preferred carrier.

6. Amend § **64.1150** by revising paragraphs (b) and (d), and removing paragraph (e) to read as follows:

(a) ***

(b) **Referral of complaint.** Any carrier, executing, authorized, or allegedly unauthorized, that is informed by a subscriber or an executing carrier of an unauthorized carrier change shall direct that subscriber either to the state commission or, where the state commission has not opted to administer these rules, to the Federal Communications Commission. Carriers shall also inform the subscriber that he or she may contact and seek resolution from the alleged unauthorized carrier and, in addition, may contact the authorized carrier.

(c) ***

(d) **Proof of verification.** Not more than 30 days after notification of the complaint, or such lesser time as is required by the state commission if a matter is brought before a state commission, the alleged unauthorized carrier shall provide to the relevant government agency a copy of any valid proof of verification of the carrier change. This proof of verification must contain clear and convincing evidence of a valid authorized carrier change, as that term is defined in §§ 64.1120. The relevant governmental agency will determine whether an unauthorized change, as defined by § 64.1100(e), has occurred using such proof and any evidence supplied by the subscriber. Failure by the carrier to respond or provide proof of verification will be presumed to be clear and convincing evidence of a violation.

(e) Remove paragraph (e).

§ 64.1160 Absolution procedures where the subscriber has not paid charges.

7. In § 64.1160 remove paragraph (e), redesignate paragraphs (f) and (g) as paragraphs (e) and (f).

§ 64.1190 Preferred carrier freezes.

8. Amend § 64.1190 by revising (a), (b), (c), (d), (e) and adding paragraphs (c)(1), (c)(2) and (c)(3) to read as follows:

(a) These rules shall apply to all telecommunications common carriers and to all bills containing charges for intrastate or interstate services, except as follows:

§64.1190(c)(2) and (3) shall not apply to providers of Commercial Mobile Radio Service as defined in § 20.9 of this chapter, or to other providers of mobile service as defined in § 20.7 of this chapter, unless the Commission

determines otherwise in a further rulemaking.

- (b) **Preemptive effect of rules.** The requirements in this subpart are not intended to preempt the adoption or enforcement of consistent truth-in-billing requirements by the states.

(c) **Telephone Billing Requirements.**

- (1) Telephone bills shall be clearly organized and must contain clear and conspicuous disclosure of any information that the subscriber may need to make inquiries about, or contest, charges on the bill.
- (2) Telephone bills must clearly and conspicuously identify any change in service provider, including identification of charges from any new service provider.
- (3) Charges contained on telephone bills must be accompanied by a brief, clear, non-misleading, plain language description of the service or services rendered, and the name of the service provider associated with each charge. The description must be sufficiently clear in presentation and specific enough in content so that customers can accurately assess that the services for which they are billed correspond to those that they have requested and received, and that the costs assessed for those services conform to their understanding of the price charged.

- (d) **Definition of clear and conspicuous.** For purposes of this section, “clear and conspicuous” means notice that would be apparent to the reasonable consumer.

- (e) **Prohibition against unauthorized charges.** Carriers shall not place or cause to be placed on any telephone bill charges that have not been authorized by the subscriber.

9. Remove § 64.2400.

10. Remove § 64.2401.

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