



**Regulatory Advisory: FCC Grants Limited Waiver of CPNI Rules
to Prepaid Calling Card Providers**

On **January 11**, the FCC granted a [limited waiver](#) of its customer proprietary network information (“CPNI”) rules to prepaid calling card providers. The waiver allows prepaid calling card providers, including virtual calling card/Internet calling card providers, to rely on the personal identification number (“PIN”) associated with a prepaid calling card in order to authenticate the holder of a prepaid calling card in order to access the CPNI associated with the calling card. This waiver is limited to customer authentication by calling card providers that do not have telephone numbers or addresses of record for their customers, and do not have any other relationship with their customer that could be used to authenticate the customer.

CPNI is information about a customer’s use of communications services that a provider of communications services collects because of its relationship with a customer, including, among other things, call detail records such as the time, date, location, and duration of each telephone call made by the customer. Responding to concerns about data brokers gaining unauthorized access to consumers’ call detail records and selling that data, the FCC strengthened the customer authentication requirement in its CPNI rules in 2007. The FCC’s post-2007 CPNI rules prohibit telecommunications carriers and interconnected VoIP providers, including prepaid calling card providers, from providing call detail information during a telephone call unless the customer initiating the call provides a password previously established with the service provider that is based on something other than readily available biographical or account information. When establishing a customer password, a carrier must authenticate the customer without using readily available biographical or account information. If a service provider is unable to authenticate a customer over the telephone or online, it may send call detail records to the customer’s address or telephone number of record.

Prepaid calling card providers, however, frequently have no ongoing relationship with their customers. Many prepaid calling card services permit a customer to access services using a plastic card, a paper receipt, or a virtual card on the Internet. In each case, a PIN associated with the account permits the customer to access the services associated with the account, and the service provider to deduct funds from the appropriate account. Prepaid calling card providers may assign PINs as a number pre-printed on the plastic card or receipt a customer purchases at a retail point of sale, or as an electronic PIN received upon confirmation of an online transaction. Unlike the carrier-established passwords described in the CPNI rules, the PIN is associated with the account and not established with the service provider in a customer-authentication process. Because prepaid calling card providers may not collect information about who their customers are or how to contact them, they do not have sufficient information to authenticate customers in the ways required in the CPNI rules or to send CPNI data to the customer’s address or telephone number.

The Commission’s limited waiver grant comes in response to a 2009 petition filed by STi Prepaid, LLC, a provider of prepaid calling cards, for clarification or limited waiver of the Commission’s customer authentication requirements under the CPNI rules. Finding that the particular facts regarding prepaid calling card services made strict compliance with the customer authentication requirements of the CPNI rules inconsistent with the public interest, the FCC



granted STi's request for a limited waiver. The Commission concluded that there was no evidence of an undue risk of unauthorized access using PINs, particularly as the PINs are randomly generated, and issued to the card purchaser, rather than being widely available.

To further protect customer privacy, the FCC limited the scope of the waiver so that it applies only to customer authentication by calling card providers that do not have telephone numbers or addresses of record for their customers, and do not have any other relationship with their customer that could be used to authenticate the customer. The Commission further emphasized that prepaid calling card providers remain subject to all of the other provisions of the CPNI rules, including requirements to take reasonable measures to discover and protect against attempts to gain unauthorized access to CPNI.

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For more information regarding the prepaid calling card services waiver, the FCC's CPNI rules, Wiltshire & Grannis's privacy practice, please contact [John Nakahata](#) at (202) 730-1320, [Brita Strandberg](#) at (202) 730-1346, or [Madeleine Findley](#) at (202) 730-1304.

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