

ORIGINAL

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Arizona Corporation Commission
DOCKETED

JAN 08 2013

Via Overnight Delivery

January 7, 2013

Docket Control Center
Arizona Corporation Commission
1200 W. Washington Street, Room 108
Phoenix, Arizona 85007-2996

DOCKETED BY

Re: Supplemental Response to Staff's Third Set of Data Requests to Preferred Long Distance, Inc., Docket No. T-04308A-12-0118

Dear Sir/Madam:

Preferred Long Distance, inc. ("Preferred") provides the following supplement to its responses to Staff's August 8, 2012 Third Set of Data Requests in the above-referenced matter. Preferred advises the Arizona Corporation Commission of recent relevant developments following submission of the Company's responses. An original and thirteen (13) copies of this letter and attachment are enclosed.

Please acknowledge receipt of this filing by file-stamping and returning the additional copy of this Application and transmittal letter in the self-addressed, postage-paid envelope provided for this purpose. Questions may be directed to the undersigned.

Sincerely,

MILLER ISAR, INC.

Andrew O. Isar

Regulatory Consultants to
Preferred Long Distance, Inc.

Attachments

cc: Ms. Pam Genung via electronic delivery (PGenung@azcc.gov)

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PREFERRED LONG DISTANCE, INC.
DOCKET NO. T-04308A-12-0118

Preferred Long Distance, Inc. (“Preferred” or the “Company”) provides the following supplement to information provided in its response to Staff’s August 8, 2012 Third Set of Data Requests in Docket No. T-04308A-12-0118 (“Data Requests”).

On December 20, 2012, the Federal Communications Commission (“FCC”) released a *Notice of Apparent Liability for Forfeiture* (“NAL”) to Preferred.¹ The FCC found that Preferred, “apparently willfully and repeatedly violated Sections 201(b) and 258 of the Communications Act of 1934, as amended (Communications Act or Act), and Section 64.1120 of the Commission’s rules.”² According to the FCC, “Preferred appears to have effectuated the carrier change by making misrepresentations to consumers that Preferred’s telemarketer was calling from or on behalf of the consumer’s own carrier”, to have violated rules requiring it meet certain technical requirements in the third party verification script;and, proposed a significant monetary forfeiture.³

Preferred was unaware of the FCC’s investigation until release of the NAL. No FCC notice or inquiry had preceded release of the NAL which is normal industry procedure. Nevertheless, the NAL is not altogether surprising in light of the consumer complaints which precipitated the NAL and on which the NAL is based (these underlying complaints are the same complaints previously identified in this ACC docket). Preferred has faithfully and accurately addressed each of these consumer complaints and its resolution of the causes resulting in these complaints in its response to staff’s data requests in this proceeding, including, but not limited, amendment of sales and third party verification (TPV) scripts and enhancement of its independent, post TPV quality control account transfer verification procedures. Preferred is preparing its NAL response, and is engaging in direct discussion with the FCC Enforcement Bureau.

Where appropriate, Preferred assumes full responsibility for the actions of its agents, though maintains that the Company has endeavored to – and will continue to - fully comply with applicable account transfer regulations.

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¹ See, *In the Matter of Preferred Long Distance, Inc. Apparent Liability for Forfeiture*, File No. EB-TCD-12-00003409, NAL/Acct. No. 201332170008, FRN: 0003757473, FCC 12-159 (rel. December 20, 2012) [“NAL”].

² *Id.* at 1.

³ *Ibid.*