



Advertising & Marketing
of Dial-Around and Other
Long-Distance Services to Consumers

A PUBLIC FORUM

co-sponsored by the

Federal Communications Commission
Federal Trade Commission

November 4, 1999
Washington, D.C.



UNITED STATES OF AMERICA
FEDERAL COMMUNICATIONS COMMISSION
FEDERAL TRADE COMMISSION
 WASHINGTON, D.C.



Advertising and Marketing of Dial-Around and Other Long-Distance Services to Consumers
A PUBLIC FORUM

co-sponsored by the Federal Communications Commission and the Federal Trade Commission

November 4, 1999
 FCC Commission Meeting Room
 445 12th Street, S.W.
 Washington, D.C. 20554

Letter from Lawrence Strickling, Chief of the FCC’s Common Carrier Bureau,
 and Jodie Bernstein, Director of the FTC’s Bureau of Consumer Protection 2

Federal Trade Commission Federal Register Notice 4

Federal Communications Commission Public Notice 6

Tentative Agenda 8

Compliance with Section 201(b) of the Communications Act 10

General Principles of Advertising Law Derived from
 the Federal Trade Commission’s Deception Policy Statement 11

Federal Trade Commission Statement of Policy Regarding Comparative Advertising 13

Mock Advertisements 15



UNITED STATES OF AMERICA
FEDERAL COMMUNICATIONS COMMISSION
FEDERAL TRADE COMMISSION
WASHINGTON, D.C.



September 23, 1999

Over the past ten years, competition in the long-distance telephone service market has increased dramatically. Companies have invested in major television, print, and direct mail advertising campaigns to promote an impressive array of new services, including “dial-around” numbers and discount calling plans. This revolution has resulted in lower prices and greater market choice, which has, in turn, dramatically affected the way in which consumers approach choosing their long-distance carriers.

In the past year, the Federal Communications Commission (FCC) and the Federal Trade Commission (FTC) have received complaints from consumers regarding the advertising of new long-distance services. Specifically, consumers have said that advertisements for some of these services can be confusing, especially with respect to the actual price they will have to pay and the price when compared to competing services. One particular concern has been the use of fine-print disclosures that may be hard to read and even harder to understand.

Advertisements for dial-around services are of particular concern to the FCC and the FTC because of the unique nature of the transaction. For consumers who use “10-10” numbers, the ad itself may be their only source of information. However, the same concerns about fine-print disclosures and misleading price information apply to other services, including long-distance calling plans and directory assistance numbers.

To better understand the scope and scale of this problem, the FCC and the FTC will convene a public forum on Thursday, November 4, 1999. A tentative agenda for the forum is attached. The morning session will focus on the well-established principles of FTC advertising law, as well as provide a review of the FCC’s requirement that all practices of common carriers be just and reasonable. To put these issues in context, we have provided in this workbook brief summaries of relevant law, including Section 201(b) of the Communications Act of 1934, the FTC’s Deception Policy Statement, and the FTC’s Statement of Policy Regarding Comparative Advertising. The afternoon session will focus on what actions could be taken to improve the clarity of telecommunications advertising, including the possibility of issuing written guidance on the advertising of dial-around and other long-distance services. The dialogue will be facilitated by a discussion of a series of mock ads, copies of which are attached.

In order for consumers to reap the benefits of increased competition, they must have access to accurate information. The November 4th forum presents a unique opportunity for two

federal agencies, consumer groups, members of the telecommunications industry, and other regulatory authorities to work together to address an issue of increasing importance to American consumers. Congress has charged the FCC with ensuring that the practices of common carriers, including their marketing practices, are just and reasonable. The FTC has a long history of promoting truthful advertising and protecting consumers from deceptive trade practices. The forum brings together the strengths of both agencies to encourage the development of pro-competitive consumer protection policies in this rapidly changing marketplace.

We hope that this forum will be a place for all interested parties to share their perspectives on these important issues. If you are interested in attending or participating in one or more of the panel discussions, please read the attached notices for more information or contact Lynn Vermillera at the FCC, (202) 418-7120, lvermill@fcc.gov. We look forward to hearing from you.

Lawrence Strickling
Chief, Common Carrier Bureau
Federal Communications Commission

Jodie Bernstein
Director, Bureau of Consumer Protection
Federal Trade Commission

FEDERAL TRADE COMMISSION

Announcement of Joint Public Forum on the Advertising and Marketing of Dial-Around and Other Long-Distance Telecommunications Services

AGENCY: Federal Trade Commission

ACTION: Notice.

SUMMARY: The Federal Trade Commission and Federal Communications Commission plan to hold a public forum on November 4, 1999, to discuss the advertising and marketing of dial-around and other long-distance telecommunications services. This Federal Register Notice outlines the topics to be addressed at the forum and the procedures to be followed by those who wish to participate in the forum.

DATES: The public forum will be held on November 4, 1999, in Washington, D.C., from 8:30 a.m. until 5:30 p.m. Notification of interest in participating in the forum must be submitted on or before October 20, 1999.

ADDRESSES: Notification of interest in participating in the public forum should be submitted in writing to Lynn Vermillera, Enforcement Division, Common Carrier Bureau, Federal Communications Commission, 445 12th Street, SW, Washington, DC 20554. The public forum will be held at the Federal Communications Commission, 445 12th Street, SW, Commission Meeting Room, Washington, DC 20554.

FOR FURTHER INFORMATION CONTACT: Lynn Vermillera, lvermill@fcc.gov, (202) 418-7120, Enforcement Division, Common Carrier Bureau, Federal Communications Commission, 445 12th Street, SW, Washington, DC 20554; or Marianne Schwanke, mschwanke@fcc.gov, (202) 326-3165, Division of Marketing Practices, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, DC 20580.

SUPPLEMENTAL INFORMATION:

Section A. Background

As a result of the Telecommunications Act of 1996 and the subsequent increase in competition

in the long-distance telecommunications market, many companies are offering consumers a variety of choices in long-distance calling. Numerous long-distance carriers, both large and small, heavily promote, through national television, print, and direct mail advertising campaigns, the use of their own long-distance telecommunications services, including dial-around services. These advertisements urge consumers to dial a long-distance provider's access code (or "10-10" number) before dialing a long-distance number to bypass or "dial around" the consumer's chosen long-distance carrier and to get a better rate. Other advertisements promote "calling plans" that offer a fixed per-minute rate during certain hours or on particular days. The increased competition for long-distance call volume through dial-around and other services has given consumers greater choice in deciding which carrier to use and a greater diversity in the prices charged for those calls. With accurate information, consumers will benefit from being able to choose the particular carrier that meets their long-distance calling needs at the most economical price. Conversely, if consumers are deceived by the advertising claims, they cannot make informed purchasing decisions and ultimately the growth of competition in the long-distance market will be inhibited. Since consumers of dial-around services must rely on the information contained in the advertisements as the basis for determining whether to choose a particular dial-around service, it is even more critical that such advertising claims be truthful and not misleading.

Because of the proliferation of advertisements for these new services, as well as the increased number of complaints by consumers regarding how dial-around and other long-distance services are marketed, the Federal Trade Commission ("FTC") and Federal Communications Commission ("FCC") have concluded that a public forum would be appropriate to afford staff and interested parties an opportunity to explore the issues raised by the advertising and marketing of dial-around and other telecommunications services. Based on the information provided at the forum, the agencies will determine whether future action is necessary regarding the advertising and marketing of long-distance telephone services.

Section B. Public Forum

The FCC and FTC staff will conduct a public forum to discuss issues raised by the advertising and marketing of dial-around and other long-distance services. The purpose of the forum is to facilitate a discussion among members of industry, consumer groups, and law enforcement about issues raised by claims made in many dial-around and other long-distance telephone service advertisements, and possible solutions to these concerns, including additional guidance to the industry. The forum will be divided into two sessions. The morning session will begin with an overview of applicable advertising law, which prohibits deceptive representations. This overview will be followed by a discussion among representatives from industry, consumer organizations, and law enforcement, as well as marketing and advertising experts, regarding various issues, including consumers' need for cost information, the use of comparative claims, and the effectiveness of disclosures. The afternoon session will provide participants with the opportunity to analyze claims made in various mock advertisements illustrative of the issues raised by current advertisements for dial-around and other long-distance telephone services. Following this discussion, participants will have the opportunity to present possible solutions to the concerns raised by current advertising in this area. There also will be time for public comment following the afternoon session.

Section C. Request to Participate

The FCC and FTC invite members of the public, industry, and other interested parties to participate in the forum. To be eligible to participate, you must file a request to participate by October 20, 1999. If the number of parties who request to participate in the forum is so large that including all requestors would inhibit effective discussion among participants, staff of the FTC and FCC will select as participants a limited number of parties to represent the relevant interests. Selection will be based on the following criteria:

1. The party submitted a request to participate by October 20, 1999.
2. The party's participation would promote the representation of a

balance of interests at the forum.

3. The party's participation would promote the consideration and discussion of the issues presented in the forum.

4. The party has expertise in issues raised in the forum.

5. The party adequately reflects the view of the affected interest(s) which it purports to represent.

If it is necessary to limit the number of participants, those who requested to participate but were not selected will be afforded an opportunity, if at all possible, to present statements during a limited time period at the end of the session. The time allotted for these statements will be based on the amount of time necessary for discussion of the issues by the selected parties, and on the number of persons who wish to make statements. Requestors will be notified as soon as possible after October 20, 1999, if they have been selected to participate.

By direction of the Commission.

Donald S. Clark
Secretary

[FR Doc. 99-25212 Filed 9-27-99]

PUBLIC NOTICE



Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

News media Information: 202/ 418-0500
Fax-On-Demand: 202/ 418-2830
Internet: <http://www.fcc.gov>
<ftp.fcc.gov>

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).

DA 99-1972
Released: September 23, 1999

THE FEDERAL COMMUNICATIONS COMMISSION AND THE FEDERAL TRADE COMMISSION WILL HOST A PUBLIC FORUM TO ADDRESS MARKETING PRACTICES USED IN THE ADVERTISING OF TELECOMMUNICATIONS SERVICES

The Federal Communications Commission (FCC) in conjunction with the Federal Trade Commission (FTC) announce that they will convene a joint Public Forum on November 4, 1999 to discuss the marketing and advertising of dial-around and other long-distance telecommunication services.

The FCC and FTC plan to hold the Public Forum from 8:30 a.m. until 5:30 p.m., at the Federal Communications Commission, 445 12th Street, S.W., Commission Meeting Room, Washington, D.C. 20554.

As a result of the Telecommunications Act of 1996 and long-standing FCC policies designed to foster competition in the long-distance telecommunications market, many companies are offering consumers a variety of choices in long-distance calling. While consumers benefit from being able to choose the particular service that best meets their long-distance needs, some report being confused and often misled by the nature of the claims made by carriers in their advertisements.

As a result, the FTC and FCC have concluded that a Public Forum would be appropriate to afford staff and interested participants an opportunity to explore the issues raised by the advertising and marketing of dial-around and other telecommunications services. Based on the information provided at the forum, the agencies will determine whether future action is necessary regarding the advertising and marketing of long-distance telephone services.

Notification of interest in participating in the forum must be submitted in writing on or before October 20, 1999, to Lynn Vermillera, Room 5-C817, Enforcement Division, Common Carrier Bureau, Federal Communications Division, 445 12th Street, S.W., Washington, D.C. 20554.

Request to Participate

To be eligible to participate, you must file a request to participate by October 20, 1999. If the number of parties who request to participate in the forum is so large that including all requestors would inhibit effective discussion among participants, staff of the FTC and FCC will select a limited number of applicants to represent the relevant interests. Selection will be based on the following criteria:

1. The applicant submitted a request to participate by October 20, 1999.
2. The applicant's participation would promote the representation of a balance of interests at the forum.
3. The applicant's participation would promote the consideration and discussion of the issues presented in the forum.
4. The applicant has expertise in issues raised in the forum.
5. The applicant adequately reflects the view of the affected interest(s) which it purports to represent.

If it is necessary to limit the number of participants, those who requested to participate but were not selected will be afforded an opportunity, if at all possible, to present statements during a limited time period at the end of the session. The time allotted for these statements will be based on the amount of time necessary for discussion of the issues by the selected parties, and on the number of persons who wish to make statements.

Requestors will be notified as soon as possible after October 20, 1999, if they have been selected to participate.

For further information, please contact Lynn Vermillera, lvermill@fcc.gov, (202) 418-7120, Enforcement Division, Common Carrier Bureau, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554; or Marianne Schwanke, mschwanke@ftc.gov, (202) 326-3165, Division of Marketing Practices, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580.

-- FCC --

Advertising and Marketing of Dial-Around and Other Long-Distance Services to Consumers
A PUBLIC FORUM

co-sponsored by the Federal Communications Commission and the Federal Trade Commission

November 4, 1999
FCC Commission Meeting Room
445 12th Street, S.W.
Washington, D.C. 20554

TENTATIVE AGENDA

Morning Session

- 9:00** **Registration**
- 9:30** **Opening Remarks**
William Kennard, Chairman, Federal Communications Commission
Robert Pitofsky, Chairman, Federal Trade Commission
- 10:00** **Overview**
Lawrence Strickling, Chief, Common Carrier Bureau, FCC
Jodie Bernstein, Director, Bureau of Consumer Protection, FTC
- 10:15** **Dial-Around Services And Long-Distance Calling Plans — Consumer, Industry, and State Regulators’ Perspectives**
A short presentation from a representative of each group.
- 10:30** **Morning Break**
- 10:45** **Principles of Advertising Law**
Lesley Anne Fair, Division of Advertising Practices, FTC
An overview of how the Federal Trade Commission analyzes advertisements under Section 5 of the FTC Act, with an emphasis on the use of disclosures and comparative claims.
- 11:30** **Compliance with Section 201(b) of the Communications Act**
Glenn Reynolds, Chief, Enforcement Division, Common Carrier Bureau, FCC
A short review of section 201(b) of the Communications Act of 1934, as amended, with particular emphasis on how the FCC applies the “just and reasonable” requirement to marketing practices.

11:45 **The Role of Self-Regulation: The National Advertising Division of the Council of Better Business Bureaus**
Andrea Levine, Director, NAD
A discussion of how a private dispute resolution group is addressing the issues.

12:00 **Lunch Break**

Afternoon Session

1:00 **Roundtable Discussion #1 — Analysis of Mock Ads**
Using mock ads for dial-around and other long-distance services, a discussion of the factors that marketers should consider to ensure that the claims they make in television, print, and direct mail promotions are truthful and substantiated.

2:30 **Public Comment**
Members of the audience are invited to make brief presentations or ask questions of the roundtable participants about issues of concern to consumers and the industry.

2:45 **Afternoon Break**

3:00 **Roundtable #2 — Potential Solutions**
A discussion of what can be done to make sure that consumers have access to truthful, non-misleading information upon which they can rely in deciding which long-distance telephone services best meet their needs.

4:15 **Public Comment**
Members of the audience are invited to make brief presentations or ask questions of the roundtable participants about issues of concern to consumers and the industry.

4:30 **Concluding Remarks**
Lawrence Strickling, Chief, Common Carrier Bureau, FCC
Jodie Bernstein, Director, Bureau of Consumer Protection, FTC

Compliance with Section 201(b) of The Communications Act

Section 201(b) of the Communications Act of 1934, as amended,¹ provides in pertinent part that "[a]ll charges, practices, classifications, and regulations for and in connection with . . . communication service shall be just and reasonable . . ." In applying section 201(b), the Federal Communications Commission uses a case-by-case approach, reviewing the record to determine whether the activity in question is unreasonable under the specific circumstances presented.²

While the FCC has not promulgated regulations regarding marketing or advertising practices, it has applied the broad requirements of section 201(b) to the marketing practices of common carriers. In *Business Discount Plan*,³ for instance, the FCC found that a reseller of long-distance service repeatedly violated section 201(b) by employing unjust and unreasonable telemarketing practices, including misrepresenting the nature of its service offering. In addition, the FCC has indicated that practices which are "unfair or deceptive" under section 5 of the Federal Trade Commission Act⁴ at a minimum, are practices which are considered "unjust or unreasonable" under section 201(b).⁵

We make note, of course, that the broad language of section 201(b) also applies to practices outside the scope of the FTC Act.

¹ 47 U.S.C. § 201(b).

² See *Kenneth E. Brooten, Jr. v. AT&T*, Memorandum Opinion and Order, 12 FCC Rcd 13343 (1997).

³ *Business Discount Plan NAL*, 14 FCC Rcd 340, ¶¶ 1, 27 (1998).

⁴ 15 U.S.C. § 45.

⁵ *Business Discount Plan NAL* at ¶ 31.

General Principles of Advertising Law Derived from the Federal Trade Commission's Deception Policy Statement

This list is staff's informal paraphrase of some of the general principles embodied in the FTC's Deception Policy Statement. Please refer to the full text of the Statement, appended to Cliffdale Associates, Inc., 103 F.T.C. 110, 174 (1984), and reprinted at www.ftc.gov.

1. Advertisers are responsible for substantiating all express and implied claims that an ad conveys to reasonable consumers, regardless of whether the advertiser intended to convey those claims.
2. In determining the claims that an ad conveys, the FTC looks to the "net impression" conveyed to consumers -- often described as an evaluation of the "whole mosaic, not individual tiles."
3. Even if the wording of an ad may be literally truthful, the net impression conveyed to consumers may still be misleading. The issue is whether the act or practice is likely to mislead consumers acting reasonably, rather than whether it causes actual deception.
4. An ad may be deceptive by omission. For example, an omission may be deceptive if an advertiser fails to disclose qualifying information that, in light of the representations made, would be necessary to prevent consumers from being misled. As in any other case, the FTC will examine the failure to disclose in light of expectations and understandings of the typical buyer regarding the claims made.
5. To be actionable under the law, a misrepresentation or omission must be material -- that is, important to a consumer's decision to buy or use a product. Information pertaining to central characteristics of the product or service will be presumed material. The cost of a product or service is an example of an attribute presumed to be material.
6. Written disclosures or fine print may be insufficient to correct a misleading representation. Depending on the circumstances, accurate information in the text may not remedy a false headline because in many circumstances, reasonable consumers may not read the entirety of an ad or can be directed away from the importance of the qualifying information by other distracting elements of the ad. Furthermore, pro forma statements or disclaimers may not cure otherwise deceptive messages.

7. Disclosures of qualifying information must be clear and conspicuous. Disclosures must be made in a manner that is both readable and understandable (or, in the case of oral disclosures, audible and understandable) to a reasonable consumer. Video superscripts that are difficult to understand, are superimposed over distracting backgrounds, compete with audio elements, or are placed in portions of the ad less likely to be remembered have been found to be ineffective in disclaiming or modifying a claim made elsewhere in the ad.

8. The FTC evaluates comparative advertising in the same manner as it evaluates all other advertising techniques. Commission policy encourages references to competitors, but requires that comparative claims meet the same substantiation requirements as any other representation.

Federal Trade Commission

Statement of Policy Regarding Comparative Advertising

August 13, 1979

(a) *Introduction*

The Commission's staff has conducted an investigation of industry trade associations and the advertising media regarding their comparative advertising policies. In the course of this investigation, numerous industry codes, statements of policy, interpretations and standards were examined. Many of the industry codes and standards contain language that could be interpreted as discouraging the use of comparative advertising. This Policy Statement enunciates the Commission's position that industry self-regulation should not restrain the use by advertisers of truthful comparative advertising.

(b) *Policy Statement*

The Federal Trade Commission has determined that it would be of benefit to advertisers, advertising agencies, broadcasters, and self-regulation entities to restate its current policy concerning comparative advertising.¹ Commission policy in the area of comparative advertising encourages the naming of, or reference to competitors, but requires clarity, and, if necessary, disclosure to avoid deception of the consumer. Additionally, the use of truthful comparative advertising should not be restrained by broadcasters or self-regulation entities.

(c) The Commission has supported the use of brand comparisons where the bases of comparison are clearly identified. Comparative advertising, when truthful and non-deceptive, is a source of important information to consumers and assists them in making rational purchase decisions. Comparative advertising encourages product improvement and innovation, and can lead to lower prices in the marketplace. For these reasons, the Commission will continue to scrutinize carefully restraints upon its use.

(1) *Disparagement*

Some industry codes which prohibit practices such as "disparagement," "disparagement of competitors," "improper disparagement," "unfairly attacking," "discrediting," may operate as a restriction on comparative advertising. The Commission has previously held that disparaging advertising is permissible so long as it is truthful and not deceptive. In *Carter Products, Inc.*, 60

¹ For purposes of this Policy Statement, comparative advertising is defined as advertising that compares alternative brands on objectively measurable attributes or price, and identifies the alternative brand by name, illustration or other distinctive information.

F.T.C. 782, *modified*, 323 F.2d 523 (5th Cir. 1963), the Commission narrowed an order recommended by the hearing examiner which would have prohibited respondents from disparaging competing products through the use of false or misleading pictures, depictions, or demonstrations, "or otherwise" disparaging such products. In explaining why it eliminated "or otherwise" from the final order, the Commission observed that the phrase would have prevented:

respondents from making truthful and nondeceptive statements that a product has certain desirable properties or qualities which a competing product or products do not possess. Such a comparison may have the effect of disparaging the competing product, but we know of no rule of law which prevents a seller from honestly informing the public of the advantages of its products as opposed to those of competing products. 60 F.T.C. at 796.

Industry codes which restrain comparative advertising in this manner are subject to challenge by the Federal Trade Commission.

(2) *Substantiation*

On occasion, a higher standard of substantiation by advertisers using comparative advertising has been required by self-regulation entities. The Commission evaluates comparative advertising in the same manner as it evaluates all other advertising techniques. The ultimate question is whether or not the advertising has a tendency or capacity to be false or deceptive.² This is a factual issue to be determined on a case-by-case basis. However, industry codes and interpretations that impose a higher standard of substantiation for comparative claims than for unilateral claims are inappropriate and should be revised.

**(Sec. 5, 38 Stat. 719, as amended; 15 U.S.C. § 45)
[44 FR 47328, Aug. 13, 1979]**

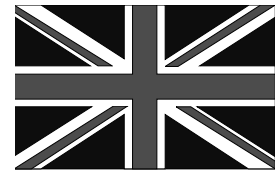
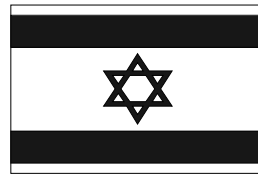
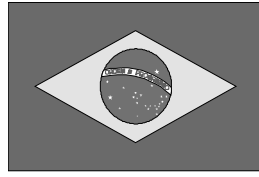
² Editor's note: See Deception Policy Statement, appended to Cliffdale Associates, Inc., 103 F.T.C. 110, 174 (1984).

Mock Advertisements

Roundtable Discussion #1 of the Forum, scheduled for 1:00 p.m., will include a consideration of promotional practices used to market dial-around services and other long-distance plans to consumers. To facilitate an exchange of views, the discussion will focus on the attached mock advertisements. These examples are intended to illustrate issues commonly raised in broadcast advertisements, print advertisements, direct mail advertisements, telemarketing scripts, and other promotional materials for long-distance services. They are meant to generate discussion of the factors that should be considered in evaluating whether an ad contains deceptive representations, including the express and implied claims conveyed to consumers, the use and effectiveness of disclaimers and disclosures, the ramifications of the omission of information, and the accuracy of comparative claims.

These mock ads are for discussion purposes only, and are not intended to demonstrate bright-line principles of practices that the Federal Trade Commission or the Federal Communications Commission consider to be violative of the law. Nonetheless, we hope that the discussion that flows from these examples can be applied to more than just the hypothetical product, claim or disclosure at issue.

Any resemblance to actual companies, brand names, or telephone numbers is unintentional.

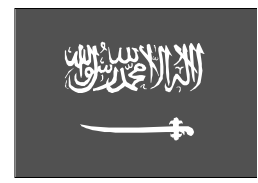
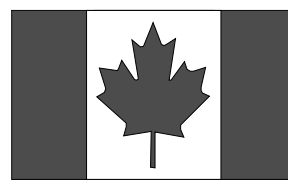


Hola. ***Guten Tag.*** Dobry en. *Aloha.* Ellinika. ***Privet.*** Jambo.
Bonjour. G'Day. BUON GIORNO. Konichiwa. Salaam. Dia dhuit.

NO MATTER HOW YOU SAY HELLO,
SAY IT FOR JUST 20¢ A MINUTE* WITH
10-10-11.

**Just dial 10-10-11 + 011 + the number you're calling
and pay only 20¢ per minute.**

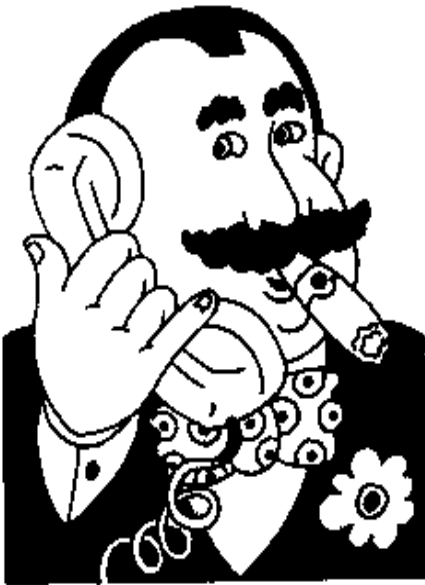
ALL DAY, ALL NIGHT, ALL THE TIME!



* 20¢ rate applies to calls to Canada and Mexico. Other low discount rates apply elsewhere.

EXAMPLE #1

MR. MILLION SAYS:



Sign up for my
MR. MILLION PLAN!

Just 8¢ a minute
all calls -- all day -- every day.

And it's bye-bye
to sky high phone bills.

To enroll:

CALL (888) 555-8888
.... and keep the change!

Subject to availability. \$5.95 monthly fee applies. Rate valid for state-to-state calls only. The "Mr. Million" character is a registered mark of Emteck Communications International, Inc. Click on www.keepthechange.net for more information.

© 1998 Emteck Communications, Inc. All rights reserved.

TELEVISION ADVERTISEMENT



VOICEOVER: Try to save money on long distance with some companies and they'll tie you up in knots.



VO: The rates may sound great until you find out that they're only good at nights or on weekends...



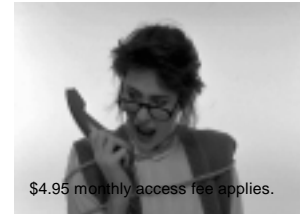
VO: ...or only if you talk longer than 20 minutes or call during a lunar eclipse.



VO: And how about those "nickel a minute" rates that -- oops! -- aren't really a nickel a minute? Forget about it!

10¢ a minute.
Any time. Any day.
Day or night.
24-7.

VO: When you sign up for the Smart Plan, all your state-to-state calls are just 10¢ a minute. Any time. Any day. Day or night. 24-7.



\$4.95 monthly access fee applies.

VO: No tie-ups. No hassles. No strings. Just 10¢ a minute any time.

SUPERSCRIPT: \$4.95 monthly access fee applies.

CALL
888-555-START

VO: So relax, unwind. Call 888-555-START for the no-hassle way to call long distance...

CALL
888-555-START
...and start saving.

VO: ...and start saving.

DIRECT MAIL ADVERTISEMENT
(envelope)

5¢
NICKEL NET™

BULK RATE
U.S. POSTAGE
PAID

PERMIT #0000
NEW YORK, NY

Just a nickel a minute for Long Distance!

***** HSYTF** C-042

R. Pitofsky
600 Pennsylvania NW
Washington DC 20580

With NICKEL NET™, it's only 5¢ a minute!

EXAMPLE #4

DIRECT MAIL ADVERTISEMENT
(insert)

5¢
NICKEL NET

Your line on savings

Dear Long Distance Customer:

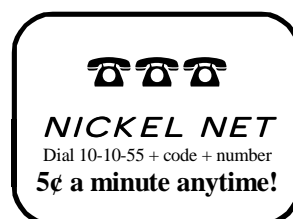
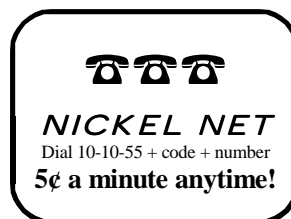
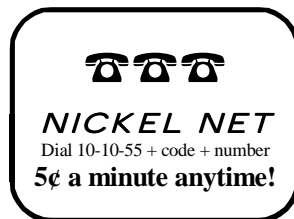
Finally there's a way to SLASH your long distance bills! With **Nickel Net**, just dial 10-10-55 and the area code and the number and all your state-to-state calls -- ALL day, ALL night -- are just **5¢ a minute**, no matter how long you talk. NO switching, NO minimums, NO monthly fees. Just crystal clear calls on **Nickel Net's** own network for only **5¢ a minute!**

Others may offer **5¢ a minute** for Sunday calls to Grandma or only late at night. But only **Nickel Net** offers **5¢ a minute ANYTIME** -- at work or at home -- for all state-to-state calls. With **Nickel Net**, you can stay in touch with family and friends or make those important business calls, all for a low **5¢ a minute**.

So dial **10-10-55** and the area code and number to save big with **Nickel Net**. And for the next 60 days, you'll pay just 5¢ a minute for all your state-to-state calls. After that you'll be billed at **Nickel Net's** special low VIP customer discount rate. And call (800) 555-8800 to find out about our great in-state rates!

And what about international rates? **Nickel Net** has got you covered there, too! For just \$4.95 per month, you can join our exclusive **SUPER SAVINGS GLOBAL CLUB**. Members are eligible for low, low discount rates and frequent caller bonuses. Call (800) 555-8800 to join in on big savings anywhere in the world!

Peel these stickers for your phone!





Why pay more?

Dial 10-10-33

between 7:00 PM and 7:00 AM and save 50% off on all state-to-state calls!

- ✓ **Save over Dash's basic rates on every call within the U.S.!**
- ✓ **Save 50% off on all state-to-state calls over 20 minutes across the U.S. and even worldwide!**
- ✓ **Dial 10-10-33 and the number for 50% savings! COMPARE AND SAVE. IT'S GUARANTEED!**

20-minute call	10-10-33 *	DASH*
<i>San Francisco to Philadelphia</i> Tuesday, 7:00 p.m.	\$2.60	\$5.30
<i>Houston to Detroit</i> Friday, 9:00 p.m.	\$1.40	\$3.10
<i>Phoenix to Mexico City</i> Monday, 8:00 p.m.	\$8.70	\$21.80
<i>Miami to Paris</i> Saturday, 7:00 p.m.	\$6.20	\$16.90

Dial 10-10-33 ... and save 50%

* Excludes Universal Service Fee.

EXAMPLE #5

DIRECT MAIL ADVERTISEMENT
(envelope)

 *ABCComm*

Accounts Receivable Department
P. O. Box 459
Los Angeles, CA 98628-0459

IMMEDIATE ACTION NECESSARY

TO ENSURE PREFERRED SERVICE

***** RT678** J-239

W. Kennard
445 12th St SW
Washington DC 20554

RATE OVERPAYMENT NOTICE

EXAMPLE #6

YOU'RE OVERPAYING FOR LONG DISTANCE!
If you're not calling 10-10-88, you're paying too much.
COMPARE AND SAVE!

	8AM to 5PM	5PM to 7PM	7PM to 11PM	11PM to 8AM
X -C a l l * <i>Super Savings Plan</i>	22.5¢	15¢	11.5¢	10¢
DASH ‡ <i>Family Savings Club</i>	23¢	13.5¢	12¢	9¢
FonInc. ♦ <i>Basic Rate</i>	35¢	19¢	11¢	11¢

8¢ **10-10-88** **8¢**

SAVE UP TO 80%

Every call is just 8¢ a minute...All day...All night...All state-to-state calls!
NO SWITCHING! NO MONTHLY FEES!

DIAL 10-10-88
and the area code and number
and save UP TO 80% over other calling plans!

10-10-88 calls are subject to a 3 minute (24¢) minimum per each call completed.

The X-Call, Dash, and FonInc rates shown are based on weekday rates in effect as of September 1, 1999, for interstate calls made with a calling distance of greater than 100 miles with a customer's average monthly usage between \$10.00 and \$29.99. The rates shown are for state-to-state calls.

* X-Call comparison assumes that 20% of calls are made as part of X-Call's Super Savings Plan's "Nickel a Minute" promotion offering 5¢ per minute for calls between 11PM and 7AM.

‡ Dash comparison rate assumes that 20% of calls are made to other members of Dash's Family Circle Savings Club.

♦ FonInc's daytime rate applies between 10AM and 4 PM, Monday through Friday.

10-10-88 is a service mark of Supersonic TeleUSA, Inc.

©1999 Supersonic TeleUSA, Inc.

TELEVISION ADVERTISEMENT



VOICEOVER: A dollar won't buy you much these days.



VO: But it can buy you twenty minutes of memories with your best friend from high school.



VO: Or twenty minutes to seal the deal on that new contract.



VO: Or twenty minutes of magical moments between a kid and the greatest granddad in the world.



VO: Just dial 10-10-22 and the number. And talk for twenty minutes for just a dollar.



VO: That's twenty minutes. Just a dollar. Every day. Not just the weekends. Every day.



VO: Maybe a dollar won't buy you much these days. But what it can buy you...



VO: ...is priceless.

SUPERSCRIPT: Rates good from 7PM to 7AM Monday through Friday and all day Saturday and Sunday. Rate applies to state-to-state calls only.

TELEVISION ADVERTISEMENT



VOICEOVER: Suppose you need to find...



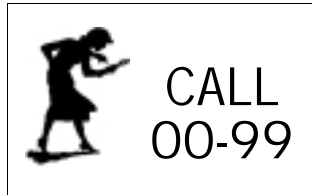
VO: A polo pony in Pensacola.



VO: A kangaroo kennel in Kalamazoo.



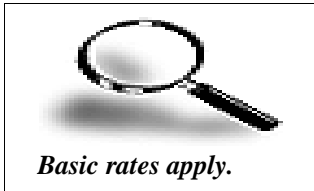
VO: Or a sweater for a setter in Cincinnati.



VO: Just call FonKom's new 00-99 information line. For just 99¢, our specially trained directory detectives will track down the number you're looking for.



VO You don't need the area code or street address or even the exact name.



VO: Just give us a clue or two and we're on the case. And once we solve the mystery, we'll connect you to your number for free.

SUPERSCRIPT: Basic rates apply.



VO: Need a number? Get it now by dialing 00-99. Because at FonKom, we've got your number.

TELEMARKETING SCRIPT

Good morning. May I speak with [residential customer name]? This is John calling from FonKom. I'm the Service Advisor assigned to your account. First, let me thank you for your business over the years. We appreciate having you as a customer.

The reason I'm calling is because we just conducted a review of your account. Congratulations! It looks like you qualify for our discount Preferred Long-Distance Plan, but our records show that you're enrolled in our Thrifty Plan. By going with the Preferred Plan you could save as much as 65% a month on long distance. It's just 8¢ a minute weekdays and only 6¢ a minute on the weekends. So you really would be getting a much better deal. And to thank you for your business, all our new Preferred Plan customers are getting a special bonus: 200 free minutes of long distance.

Should we go ahead and upgrade your billing category to the Preferred Plan?

[Wait for a positive response.]

Let me just verify your name and billing address.

[Wait for a response.]

Great! So I've made the notation in your record for our Accounting Department to bill all calls starting today at the low Preferred Plan rate. That's just 8¢ a minute weekdays after seven and only 6¢ a minute on the weekends after five. And the \$3 monthly fee per line.

You're all set!