



## Department of Justice

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FOR IMMEDIATE RELEASE  
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**JUSTICE DEPARTMENT ALLOWS TELECOMMUNICATIONS COMPANY  
TO EXCHANGE DEFAULTED COMMERCIAL ACCOUNT INFORMATION**

WASHINGTON, D.C. -- The Department of Justice's Antitrust Division has approved a proposal by the National Telecommunications Data Exchange Inc. and its member long-distance telecommunications carriers to exchange information about defaulted commercial accounts.

The proposed information exchange is designed to reduce the amount of uncollectible business accounts experienced by long-distance carriers which should lower costs to consumers.

Under the program, member carriers will be required to inform a third-party data vendor hired by the National Telecommunications Data Exchange Inc. of the identity of any closed commercial account with an undisputed and unpaid balance in excess of \$100. All members would be able to query the third-party vendor to ascertain whether an applicant for new long-distance services had failed to pay a long-distance bill to a prior long-distance carrier. Neither the carrier sending the

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information nor the carrier receiving it from the third-party would know the identity of the other carrier.

To facilitate the recovery of unpaid bills from closed accounts, any member carrier could also utilize a "skip tracing" service provided by the third-party vendor to determine whether any of its closed defaulted commercial accounts were obtaining service from another member carrier under a new name or from a different address. The identity of the new carrier, however, would not be provided.

The Department's position was stated in a business review letter to counsel for the National Telecommunications Data Exchange Inc. from Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division.

Bingaman's letter said the information exchange proposal was not likely to create any anticompetitive effects since the program was designed with sufficient safeguards so that it was unlikely to facilitate collusion. No information pertaining to prices or other terms of service will be exchanged and any decision either to serve a new customer with a "bad" credit history or to try to collect unpaid debts from a former customer will be made on a unilateral basis by a member carrier.

To the extent that the program serves to reduce the uncollectible rate for member carriers, it should lower their costs and have a procompetitive effect.

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Under the Department's business review procedure, a person or organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division will challenge the activity as a violation of federal antitrust laws.

A file containing the business review request and the Department's response may be examined in the Legal Procedure Unit of the Antitrust Division, Room 3235, Department of Justice, Washington, D.C. 20530. After a 30-day waiting period, the document supporting the business review will be added to the file.

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