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*Via Overnight Delivery*

February 22, 2011

Mr. Dave Danner  
Executive Director/Secretary  
Washington Utilities & Transportation Commission  
1300 S. Evergreen Park Drive SW  
Olympia, WA 98502

*Re: WAC 480-120-202(2) Notification Letter*

Dear Secretary Dortch:

It is the practice of TDS Telecommunications Corporation ("TDS Telecom") to notify its subscribers of their rights in connection with their Customer Proprietary Network Information ("CPNI") and to provide them with the opportunity to restrict TDS Telecom's use their CPNI to market services to them outside of their existing service relationship. Subscribers are afforded an opportunity to restrict TDS Telecom's use of their CPNI in this manner by calling a toll-free number 24 hours-a-day, seven days-a-week and specifying their CPNI preferences using voice prompts.

TDS Telecom's practice is to include this "opt out" notification in every Welcome Packet sent to a new subscriber when service to that new subscriber is initiated and again through a bill insert every 22 months thereafter. A copy of the form of opt out notification that is included in these Welcome Packets and provided thereafter to subscribers is attached hereto.

To improve Welcome Packet delivery, TDS Telecom automated the Welcome Packet transmission process for its most commonly-used back office service delivery platform effective November 1, 2010. Until that time, TDS Telecom personnel had to manually submit Welcome Packet requests using the company's customer care system for all new subscribers served through this platform. TDS Telecom separately implemented new processes and quality control measures to ensure that subscribers served by all other back office service delivery platforms transmit Welcome Packets to new subscribers when their service is initiated. The implementation of these new processes and quality control measures for these other service delivery platforms was completed as of February 6, 2011.

TDS Telecom subsequently concluded on February 14, 2011 that, prior to the implementation of these various measures, the company had used the CPNI of certain residential subscribers to market new services to them outside of their service relationship without first providing them

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with an opt out notification. TDS Telecom determined that these affected subscribers did not receive the opt out notification because company personnel failed to manually submit Welcome Packet requests containing those notifications using TDS Telecom's various service delivery platforms. As a result of these developments, TDS Telecom determined that approximately 809 new residential subscribers did not receive a Welcome Packet (and thus an opt out notification) between January 7, 2008 and February 6, 2011. TDS Telecom began investigating the matter immediately and was able to determine that it did not use the CPNI of approximately 171 of these 809 subscribers to market services to them outside of their existing service relationship.

Although it is possible that TDS Telecom did not use the CPNI of an additional number of subscribers (that is, beyond the 171 subscribers already identified) to market services to them outside of their existing service relationship, making this determination is a time-intensive process that would require the company to map the universe of potentially relevant subscribers to each and every TDS Telecom marketing campaign during the period in question. It also is possible that because some of these subscribers have received an opt out notification subsequent to service initiation through a bill insert, the CPNI of certain of these subscribers in some cases may have been used more than 30 days after TDS Telecom's opt out notification was delivered and thus in a manner consistent with the Commission's rules. Nevertheless, based on the data currently available to TDS Telecom, it appears that the CPNI of up to approximately 638 TDS Telecom subscribers (809 minus 171) may have been used by the company to market new services to them during the period in question without first providing an opt out notification.

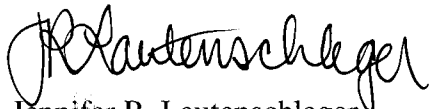
Importantly, all of the marketing campaigns at issue were undertaken by TDS Telecom and its authorized agents. As a result, no CPNI was used, disclosed, or accessed by unauthorized or unaffiliated third parties as a result of this development. Furthermore, since becoming aware of this development, TDS Telecom has taken steps to remedy the matter. First, TDS Telecom confirmed that its existing automated Welcome Packet transmission process is functioning properly and that all new subscribers are receiving the company's Welcome Packet and opt-out notification. Second, TDS Telecom has taken steps to segregate the accounts of the approximately 638 residential subscribers who remain TDS Telecom subscribers and for whom TDS Telecom has not yet confirmed the transmission of opt out notifications in the form of a bill insert (thereby providing them with an opportunity to opt out) to ensure that the CPNI of those subscribers cannot be used to market services to them (whether on an inbound or outbound basis) outside of their existing service relationship. TDS Telecom intends to keep these residential subscriber accounts segregated until such time as those subscribers receive the appropriate opt out notification and do not exercise their right to opt out of having their CPNI used for marketing purposes. TDS Telecom expects these opt out notifications to be provided in the form of a bill insert that TDS Telecom intends to transmit to all of its residential subscribers as soon as possible.

TDS Telecom regrets that it used the CPNI of certain residential subscribers to market new services to them outside of their service relationship without first providing them with an opt out notification. Notably, no CPNI was used, disclosed, or accessed by unauthorized or unaffiliated third parties as a result of this development; and, as described above, TDS Telecom has taken immediate steps to minimize the impact of its actions on affected subscribers and has taken steps to confirm that the systems and processes designed to ensure the transmission of its opt out notification to new subscribers are working properly.

This notification letter is being furnished to you pursuant to the requirements of *WAC 480-120-202(2)* of the Commission's rules. In addition to filing this letter in the state of Washington, TDS Telecom is making the required notification regarding this to the Federal Communications Commission. Please direct all questions and correspondence relating to this matter to Gail Long at 503-656-8399 or [gail.long@tdstelecom.com](mailto:gail.long@tdstelecom.com).

Thank you for your attention regarding this matter.

Respectfully submitted,



Jennifer R. Lautenschleger  
Regulatory Compliance Manager

Attachment

## **IMPORTANT PRIVACY NOTICE:**

© 2014 TDS. All rights reserved. TDS and TDS logo are trademarks of TDS. All other marks are the property of their respective owners.

This notice relates to your rights regarding your account information. Your privacy is a top priority at TDS®.

The Federal Communications Commission (FCC) is the federal agency that governs how providers, such as TDS, may use, disclose, or access your account information. Some of your information, called Customer Proprietary Network Information, or CPNI, is protected by special rules. This information includes: data regarding which products and services you buy and how you use them, how your service is configured, who you call, when you use your service, and how long you talk. This information is helpful to TDS because it allows us to better advise you about products and services that meet your needs.

You have the right to restrict TDS' use of, disclosure of, and access to your CPNI to market products and services to you that you do not currently purchase from us. TDS takes very seriously your right to privacy and our duty to protect the confidentiality of your CPNI both as a matter of trust as your chosen provider of telecommunications service, and under federal law. Giving us your permission to use, disclose, or access your CPNI to suggest products or services will enhance our ability to tailor product and service offers

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to your needs. We may share your CPNI within the TDS family of companies and trusted agents that assist TDS in promoting new products and services. Please know that TDS takes great care to protect your information.

If you would like to give us permission to use your CPNI as described here you do not need to do anything.

If you prefer that TDS not use, disclose, or allow access to your CPNI, you need to let us know. If you make that choice, it will not affect the provision of services to which you currently subscribe. To let us know you do not want us to use your CPNI as described here, please contact us by calling 1-866-390-5705, 24 hours a day, seven days a week and specify your choice using the voice prompts.

If we do not hear from you in the next 30 days, we will assume we have your permission to use your CPNI for the marketing activities described here going forward. Your permission is valid unless you decide to change or limit your permission, which you may do at any time.

