

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
Advanced Methods to Target and Eliminate)	CG Docket No. 17-59
Unlawful Robocalls)	

REPLY COMMENTS OF AT&T

AT&T Services, Inc.¹ (“AT&T”) hereby submits these reply comments in response to the Second Further Notice of Proposed Rulemaking (“*Second FNPRM*”) and the opening comments in the above-captioned proceeding.² Both independently and through industry groups of which it is a member, AT&T has actively participated in this proceeding since its inception more than one year ago. Even before that time, AT&T assumed a leadership role in the fight against illegal and unwanted robocalls, including when its CEO chaired the Robocall Strike Force. AT&T is pleased to continue to work in close partnership with the Commission to address this serious issue.

With respect to the problem posed by reassigned numbers, AT&T applauds the Commission’s ongoing efforts to identify ways to prevent misdirected telemarketing calls and to help mitigate the significant liability that callers may face, even when acting in a reasonable manner. Scrupulous callers don’t want to waste their time (or consumers’) by calling a telephone number assigned to an unknown party, and many such callers, including AT&T’s affiliates, already take steps to avoid placing such calls. While no method is perfect, solutions exist for callers in the marketplace. AT&T supports the recommendations of CTIA and other commenters

¹ AT&T Services, Inc. is filing these reply comments on behalf of its affiliates.

² *Advanced Methods to Target and Eliminate Unlawful Robocalls*, Second Further Notice of Proposed Rulemaking, CG Docket No. 17-59, FCC 18-31 (rel. Mar. 23, 2018) (“*Second FNPRM*”).

who seek to leverage that work and experience to achieve the Commission’s goals, rather than creating a new database from scratch, or mandating a particular solution at a time when the industry and marketplace are continuing to evolve and innovate.³

AT&T submits these reply comments to emphasize two critical principles that we believe should inform the Commission’s decision making in this proceeding. *First*, as a matter of fundamental fairness, the Commission should require the parties that have the greatest need for, and will derive the greatest benefit from, reassigned numbers database(s)—i.e., *callers*—to shoulder the cost burden associated with such database(s), *not* voice services providers or their customers. *Second*, to provide further incentives to carriers to participate, the Commission should keep reporting obligations as simple as possible. AT&T expounds on each of these principles, below.

Callers Should Pay, not Consumers. AT&T strongly disagrees with the suggestion that carriers or their customers should shoulder the cost burden of facilitating one or more reassigned numbers databases. In fact, AT&T disagrees with the suggestion that funding for one or more reassigned numbers databases should be viewed as a matter of “cost recovery” at all.⁴ “Cost recovery” implies that the costs associated with establishing and maintaining reassigned numbers database(s) are appropriately associated with the business of providing voice services *at all*, and that the regulatory issue to be addressed is whether and how providers should be permitted to recover such costs from customers. Like INCOMPAS, AT&T believes that is the wrong way to approach this issue.⁵

³ See, e.g., Comments of CTIA, CG Docket Nos. 17-59, 02-278, at 3-10 (filed June 7, 2018).

⁴ *Second FNPRM* ¶ 43.

⁵ Comments of INCOMPAS, CG Docket No. 17-59, at 3 (filed June 7, 2018) (“INCOMPAS Comments”) (“Though well-intentioned, the Commission’s proposal seems to benefit callers that wish to engage in telemarketing at the expense of voice service providers.”).

To be sure, each of the activities associated with the implementation of one or more reassigned numbers databases imposes costs, ranging from, among other things, the back-office processes needed to appropriately track, categorize, and report reassigned number information, to the fees charged by aggregators to access their databases.⁶ These are unavoidable costs of addressing the problem posed by reassigned telephone numbers, and someone will be required to cover them. But while voice service providers hold the information necessary to verify that a telephone number remains assigned to the party who previously provided consent to be called, voice service providers are not the main beneficiaries of reassigned numbers database(s).⁷

Rather, *callers* are the principal beneficiaries of reassigned numbers database(s) and, as such, it is the *telemarketing* business that should absorb the costs associated with any reassigned numbers database(s).⁸ Most obviously, telemarketers generate revenue by making sales from outbound calls. Tools that enable them to appropriately target those calls can only increase their revenues. Indeed, making telemarketing calls to persons other than the intended recipients, more often than not, is a waste of time and resources of the caller. By the same token, sales inevitably are lost in circumstances where, as a result of a reassigned number, a caller is unable to reach the person who previously expressed interest in the caller's products or services. At the same time, and as the *Second FNPRM* notes, callers face significant liability for certain types of calls placed to reassigned numbers when the caller lacks prior express written consent to make such calls.⁹

⁶ Significantly, the costs associated with a Commission-administered database likely would be even higher, as such a database does not presently exist. Likewise, mandated reporting requirements would impose even higher costs, as providers necessarily would be required to implement controls to ensure/verify compliance with any legal mandates.

⁷ Of course voice service providers *do* stand to benefit from the ability to use reassigned numbers databases to the extent they themselves place outbound telemarketing calls. AT&T thus believes that voice service providers, in their capacity as *callers*, should be required to help defray the costs of one or more reassigned numbers databases, just as any other caller should be. The critical point is that the obligation to pay should be tied to the benefit the party stands to receive from the reassigned numbers database(s).

⁸ See INCOMPAS Comments at 3.

⁹ See *Second FNPRM* ¶ 4.

Accordingly, proposals by ACA International and the National Retail Federation, “that information [be] provided to callers ... at nominal or no cost” are a non-starter.¹⁰ AT&T strongly believes that, to the extent a particular firm wants to engage in outbound telemarketing, the cost associated with verifying the telephone numbers the firm calls should be incorporated into the costs of that firm’s business, not hoisted onto the backs of consumers of voice services. To put it even more bluntly: consumers of voice services should not foot the bill to preserve and protect the preferred business model of telemarketers and the products and services they sell. AT&T therefore urges the Commission to adopt rules to ensure that the costs associated with the regulatory framework ultimately adopted for reassigned numbers are assigned to the cost causers—i.e., the callers. Significantly, such a funding mechanism should be sufficient to cover the costs of whatever regulatory solution the Commission ultimately adopts, including costs incurred by providers that report their numbering information into database(s).¹¹

Keep It Simple. As noted above, AT&T believes the Commission should leverage the work and experience of Danal, Payfone, Neustar, and others, to address the issue of reassigned numbers for outbound telemarketers. Further, no party has identified a regulatory solution that would be superior to, or more cost effective than, the commercial solutions currently available in the marketplace. To the extent the Commission nevertheless proceeds with the proposal to adopt a Commission-designated database, or imposes reporting requirements for voice service providers, AT&T urges the Commission to take steps wherever possible to contain the costs that will be associated with such regulatory requirements. The more complex the database solution,

¹⁰ Letter from Leah Dempsey, ACA International, to Marlene H. Dortch, FCC, CG Docket No. 17-59, at 3 (filed June 5, 2018); Comments of National Retail Federation, CG Docket No. 17-59, at 13 (filed June 7, 2018) (arguing that “there should be no cost associated with accessing a list of reassigned numbers or, if there is a cost, it should be capped at a minimal amount”). *See also, e.g.*, Comments of Credit Union National Association, CG Docket No. 17-59, at 3-5 (filed June 7, 2018).

¹¹ *See* INCOMPAS Comments at 3 (proposing that “service providers be compensated for all of their costs of reporting information either to a single database or to data aggregators”).

the more costly to establish, maintain, and (potentially) access.¹² AT&T simply does not believe that a complex solution is needed. On the contrary, callers accessing one or more reassigned numbers databases merely need to know whether a telephone number has been reassigned to a different party. Any mandates placed on voice service providers to report information regarding reassigned numbers should be limited to that.

CONCLUSION

AT&T is a ready and willing partner in the Commission's ongoing efforts to address the problem of unwanted—and often illegal—telemarketing calls. AT&T further recognizes that there is much yet to be done. While the issues posed by reassigned numbers are significant, and while AT&T supports the Commission's efforts to address them, the Commission should take care to impose costs on the cost causers and to avoid imposing unnecessary regulatory burdens on providers. AT&T therefore urges the Commission to adopt a voluntary, incentive-focused regulatory framework for reassigned numbers, consistent with the discussion herein.

Respectfully submitted,

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¹² See, e.g., Comments of National Association of Federally-Insured Credit Unions, CG Docket No. 17-59, at 2 (filed June 7, 2018) (seeking the following information: “(1) the date the number was disconnected; (2) whether this was a permanent disconnection or the number is in temporary suspension status (due to, for example, non-payment); (3) the current stage of the reassignment process (e.g., disconnected, aged, available for reassignment, and assigned to a new subscriber); and (4) whether the number is a residential or mobile number”); Comments of the Edison Electric Institute, CG Docket No. 17-59, at 9-12 (filed June 7, 2018); Comments of Education Finance Council, CG Docket No. 17-59, at 3-4 (filed June 7, 2018).