

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	
Establishing Just and Reasonable Rates for Local)	WC Docket No. 07-135
Exchange Carriers)	
)	
Developing a Unified Intercarrier Compensation)	CC Docket No. 01-92
Regime)	
)	

REPLY COMMENTS OF SOMOS, INC.

Somos, Inc. is the Commission-appointed Toll-Free Neutral Administrator (TFNA) and provides the SMS/800 database for Toll-Free Responsible Organizations (Resp Orgs) to search, reserve, and enter routing data for Toll-Free numbers (TFNs) in the US and Canada. Resp Orgs are the designated agent for Toll-Free end-users to access the SMS/800 system.¹ As such, Somos is concerned about any issue that can harm the value and integrity of Toll-Free services.

In a 2016 survey conducted by Somos, traffic pumping was cited by 35% of all Resp Orgs as a key obstacle facing the industry. In a 2017 survey, Resp Orgs cited traffic pumping as the number one barrier to promoting Toll-Free to services customers. Clearly, Toll-Free traffic pumping harms the overall Toll-Free industry.

As the TFNA, Somos is concerned about the negative effect traffic pumping has on Toll-Free end-users and the harm it can bring to the entire industry. The industry is concerned that the long-term effect of this fraudulent use of Toll-Free will drive up the cost of, and there for users away from, the Toll-Free service.

¹ 47 CFR Sec. 52-101(b).

Toll-Free Traffic Pumping

Toll-Free is a premium service and is therefore a lucrative target for traffic pumping. Toll-Free traffic pumping starts with a traffic pumper² that uses an autodialer to place thousands of calls to TFNs in order to rack up significant charges at the expense of the Toll-Free end-user or the Resp Org.

In order for the traffic pumper to make money, it has to have a revenue sharing agreement with a domestic carrier to carry the traffic for the calls. Since it is the caller choosing the originating carrier, the caller has an incentive to choose the carrier with the highest originating rates, as this is the revenue the carrier shares with the traffic pumper. The domestic carrier charges an originating access charge to the interexchange carrier, which is passed on to the Toll-Free end-user. Higher originating access charges combined with the revenue sharing arrangements allow for traffic pumpers to reap significant revenues at the expense of the Toll-Free subscriber.

Many traffic pumpers target unmanned Interactive Voice Responses (IVR) systems and use a variety of methods to prevent the call from being cut off. These can be touchtone sounds that are repeated at intervals. These could also be music, sounds like a cellphone that has accidentally been dialed, or any number of ways to trick the IVR into thinking that there is a live caller on the line. Many of these calls last for ten minutes or more and some up to an hour.

Traffic pumping can be very hard to trace. Almost all traffic pumping starts with a spoofed number and an overseas autodialer. The call likely passes through several wholesalers,

² Traffic pumping often originates overseas making use of VoIP to avoid international toll charges.

resellers, VoIP providers and carriers, and mixes in with legitimate traffic. Peeling back the onion to find the source is extremely difficult.

Somos is not in the call path, so Somos cannot quantify the amount of Toll-Free traffic that is traffic pumping. Anecdotal evidence from Resp Orgs, honey pots, and carriers suggest that as much as 20% of Toll-Free minutes on some carriers may be the result of traffic pumping. That level of fraud and waste is simply unacceptable. If a wireless carrier charged a consumer for 10 GB of data, but every month, two of those were used fraudulently by others on the wireless network, no consumer (or the Commission) would find that acceptable. Similarly, if a consumer's credit card bill contained one dollar fraudulent charges for every four dollars of legitimate charges, and the consumer had to pay for all those charges, legitimate or not, consumers would be outraged. Why should the same be tolerated in the Toll-Free industry?

Industry response

In response to this problem, Somos facilitated Toll-Free Traffic Pumping workshops in 2016 and again in 2017. What we learned in these workshops is that the traffic pumping problem in Toll-Free is significant and continuing. We heard the frustration of Resp Orgs and network providers regarding the continuing scourge of this traffic. We heard from FCC and law continuing enforcement efforts and the difficulty of bringing traffic pumpers to justice.

The industry is not sitting idly by waiting for regulatory relief. There is a very active industry group that shares calling records and other information on Toll-Free traffic pumping, including sharing this information with law enforcement and the Commission. This group shares records of thousands of calls that are clearly traffic pumping using some of the above-mentioned tactics to fool IVRs. However diligent the efforts are to stop these traffic pumpers, it continues.

Potential Solutions

The current rules on the books are simply not enough to stop Toll-Free traffic pumping. And with originating access charges being as high as they are and the availability of revenue sharing arrangements, it is easy to see why these traffic pumpers target Toll-Free end-users. Somos does not contend that all revenue sharing arrangements are, on their face, bad. Nor does Somos contend carriers should not be compensated for their costs, even if it creates a higher rate for a service. However, the combination of the two allows for illegal Toll-Free traffic pumping to continue unabated.

Somos also does not take a position on the economics of 8YY origination and files these comments only to emphasize the importance of limiting Toll-Free traffic pumping. The Commission should use this refresh of the record to review originating access rates to ensure, as best as possible, that originating access charges are economically reasonable and are assessed in a way to take the economic incentive away from traffic pumpers.

Somos does not, however, want the Commission to impose a solution and a rate that would change the nature of Toll-Free calls. Consumers calling Toll-Free numbers must continue to be able to call these numbers without the imposition of a toll to the calling party. For more than fifty years, Toll-Free has meant that the calling party does not pay. To change that is to fundamentally change the service, something that would harm the entire Toll-Free industry.

It is a difficult balancing act, finding the right policies to stop or slow traffic pumping while ensuring that those providing services are fairly compensated. Communications regulatory history is littered with unintended consequences every time rates are pushed in one direction or

the other. The Toll-Free industry needs traffic pumping to slow or stop. Anything the Commission can do to help ameliorate this situation would benefit the entire Toll-Free industry.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Joel Bernstein". The signature is fluid and cursive, with the first name "Joel" being more prominent than the last name "Bernstein".

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