

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of

Toll Free Assignment Modernization

Toll Free Service Access Codes

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WC Docket No. 17-192

CC Docket No. 95-155

**REPLY COMMENTS OF SOMOS, INC.
ON NOTICE OF PROPOSED RULEMAKING**

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INTRODUCTION AND EXECUTIVE SUMMARY

The record in this proceeding reflects broad recognition that the current Toll Free numbering system, including the neutral and effective administration provided by Somos, has generally served the industry well.¹ Somos has worked hard to promote a Toll Free Number (“TFNs”) ecosystem that functions smoothly for all interested stakeholders and to deliver the impartial Toll Free numbering administration and equitable access to TFNs that Congress envisioned. Even as the Commission considers other changes to the Toll Free system, it should ensure that any reforms maintain the reliability and industry confidence that Somos has brought to the Toll Free numbering system.

The comments filed in response to the Notice of Proposed Rulemaking focus primarily on the merits of the policy changes that the Commission has proposed; as Somos noted in its opening comments, it generally takes no position on proposals to auction TFNs or changes to the Commission’s rules regarding brokering, hoarding, or warehousing of TFNs. Somos files these reply comments to address three discrete topics. *First*, Somos corrects certain misconceptions reflected in the opening comments about the transparency of Somos’s financial reporting. *Second*, Somos provides additional information on the Toll Free marketplace and efforts to maintain the integrity of TFNs. *Third*, Somos explains that, if the Commission enacts an auction

¹ See, e.g., Comments of 800 Response Information Service LLC (“800 Response Comments”) at 13 (“[T]he TFNA has done an excellent job of efficiently and effectively serving the industry.”); Comments of Advanced Communications and Technology Infrastructure Services, NA (“Comments of ACTIS”) at 5 (“SOMOS should remain as the TFNA since in the view of ACTIS it has been both efficient and impartial in the administration of the toll free SMS.”); Comments of CenturyLink at 3 (“[T]he current assignment system works well for the overwhelming majority of cases.”); Comments of Verizon at 1 (“[T]he first-come, first-served process for obtaining toll free numbers has worked well for customers for over 15 years.”).

mechanism or a secondary market, it should clarify the scope of Resp Org authority with regard to management and administration of TFNs.

DISCUSSION

I. Somos's Financial Information Is Transparent

Some commenters suggest that greater transparency is needed regarding Somos's finances to ensure that tariffed rates for TFN administration services remain reasonable.² Provision of service under tariff offers several advantages—including providing clear and administrable terms and conditions of service and assurance of neutral treatment—and that the transparency that comes with a public tariff filing is among them. Somos provides significant detail in its tariff filings to establish cost justification for the rates it charges, including all relevant financial information regarding the costs and revenue associated with the services that Somos provides as the TFNA. Unlike other firms that provide services pursuant to tariffs filed with the Commission, Somos provides TFNA services at cost with no built-in profit.

While certain commenters argue that the Commission should require Somos to provide additional information in support of the tariff, none identifies any specific information that is lacking from Somos's current submissions. Somos provides ample financial data to permit the Commission and the public to evaluate the rates, terms, and conditions of the tariff. To be sure, as Somos has explained, some of that financial information is submitted under confidential cover.³ That is both appropriate and commonplace. Somos maintains confidentiality to protect

² See 800 Response Comments at 13; Comments of CenturyLink at 6 n.13; Comments of TEN DIGIT Communications LLC ("TEN DIGIT Comments") at 5-8; see also Comments of Verizon at 8 ("transparency continues to be important").

³ See Letter from Aaron M. Panner, Counsel for Somos, to Marlene H. Dortch, WC Docket No. 17-192, CC Docket No. 95-155, at 2 (filed Sept. 19, 2017).

information relating to contracts that Somos has with its vendors—information that is competitively sensitive and that could harm all parties to those contracts if it were publicly disclosed. Preserving the confidentiality of competitively sensitive information is a routine and fundamentally important procedure that the Commission has long authorized,⁴ and it affords the Commission a clear and detailed view of Somos’s financials. Moreover, the Somos tariff accounts separately for the costs and revenues of its tariffed TFNA services and the costs and revenues of its related non-tariffed services, such as routing data services provided to Resp Orgs and service control points. The costs of providing TFNA services are the basis for Somos’s tariffed rates and charges, and revenue earned from our role as TFNA goes to cover the cost of the TFNA services we provide.⁵

II. TFNs Have a Diverse and Growing Range of Business Applications

Businesses use TFNs in a variety of ways that go well beyond eliminating consumers’ long-distance charges. For example, in addition to using TFNs for inbound call centers, businesses use TFNs to build brand awareness, to engage in two-way communication with current and potential customers (*e.g.*, text-based interactions for customer-service “chats” or informing targeted groups of customers of relevant offers), and to gain detailed insight into the

⁴ See 47 C.F.R. § 0.457(d) (originally promulgated in 1967).

⁵ Multiple parties, including Resp Orgs and the industry’s standard-setting body, commented favorably on the reasonableness of Somos’s rates and charges. See, *e.g.*, Comments of the Alliance for Telecommunications Industry Solutions (“Comments of ATIS”) at 3 (“number administration costs . . . are currently quite low on a per number per month basis”); 800 Response Comments at 9 (“[T]he fees currently charged for toll free number administration are nominal, and sufficient to fund the operations of the TFNA.”); Comments of CenturyLink at 2 (noting “the extremely low cost of obtaining toll-free numbers”); Comments of CSF Corp., LLC at 1 (“It’s a wonderful low cost service that has multiple utilities and benefits.”); Comments of Association of Toll Free Professionals (“Comments of ATFP”) at 7 (“[T]he nominal cost allocated by Somos is sufficient to ensure RespOrgs only activate the numbers they need.”).

effectiveness of different marketing channels. The view expressed by one party that TFNs “are no longer as central to businesses as they once were” and implying that TFNs are good for little more than “typosquat[ing]” reflects a lack of awareness of how TFNs are used in actuality.⁶ The increase in use of TFNs over the last decade is mostly attributable to new and innovative ways to use TFNs. For example, Internet advertisers can dynamically insert a TFN in an online ad so the advertiser can know which website and webpage the caller was viewing when the ad with that particular TFN popped up. Accordingly, the Commission should ensure that any actions it takes with regard to the matters addressed in the Notice preserve the culture of innovation that has given rise to new and valuable business applications for TFNs and thereby propelled the TFN ecosystem into the twenty-first century.

As the Toll Free marketplace expands and innovates, there is an increased need for authentication in the assignment and use of TFNs. As the TFNA, Somos makes it a priority to protect the integrity of the Toll Free system in all aspects of its operations, including systems and processes to combat fraud or misuse of TFNs. TFNs are trusted resources that consumers rely on when communicating with a business. To maintain trust, it is paramount that the integrity and reliability of TFNs be protected. In that vein, the Commission asks whether it should “propose a rule stating its ability to reclaim any toll free number that is used for fraudulent or otherwise unlawful purposes.”⁷ Somos actively works with Resp Orgs to shut down TFNs that are used to commit fraud. Somos supports changes to the rules that would prove helpful in the fight against fraud, as the TFNA is the first line of defense against fraud and misuse of TFNs.

⁶ Comments of Interisle Consulting Group (“Comments of Interisle”) at 1.

⁷ Notice of Proposed Rulemaking, *Toll Free Assignment Modernization*, FCC No. 17-192, ¶ 41 (rel. Sept. 28, 2017).

III. The Commission Should Clarify Resp Orgs' Authority to Manage and Administer TFNs

Somos has filed a petition for declaratory ruling seeking clarification of the role of Resp Orgs in managing and administering TFNs, especially with regard to next-generation services such as text-to-toll-free.⁸ Clarification that Resp Orgs have authority to manage and administer TFNs for the purpose of *all* services that a subscriber may obtain is a critical prerequisite for the operation of any type of auction market or secondary market for TFNs. Any ambiguity about the scope of authority to manage and administer TFNs would make development of market mechanisms impossible and would thereby discourage Resp Org participation in an auction or secondary market for TFNs.

⁸ See Pet. of Somos, Inc. for a Declaratory Ruling Regarding Registration of Text-Enabled Toll-Free Numbers, CC Docket No. 95-155 (filed Oct. 28, 2016).

Respectfully submitted,

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