

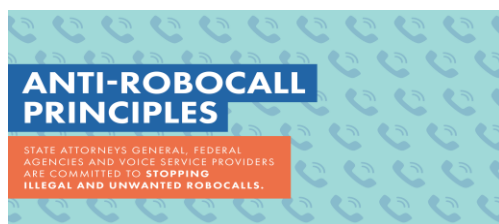


Robocalling: Scoping the Issue and the Cost of Compliance vs. Non-Compliance

It's a Wednesday morning, and my cell phone rings....no caller ID, means I don't answer. But they call right back, which is a little different than the normal protocol...in fact some scams prefer to leave a voicemail. So, I made the exception and answered the phone..."good morning, this is deputy sheriff Brown from the county sheriff's office, we are looking for Derek Canfield..." Still being skeptical, I answered with a question, "how would I verify this is the sheriff's office? Do you have a phone number so I can call back?" With that, the caller hung up. I later verified that it is yet another known scam...

I'm sure it's no different...the moment your home phone or cell phone rings, what goes through your mind? If you're like most people, the question you ask yourself is: "...is it someone I know?" This has been an evolution of our thinking over the last 10 years, and as we think about what the industry now asks of us as telecom operators, it's interesting to think about how we got here. What is the genesis of robocalling? Clearly it is rooted in bad actors, but bad actors have been around forever, so that's no different. I suggest robocalling is the result of bad actors utilizing new technology (i.e. SIP, spoofing, and now AI) at the exact time the FCC enacted regulatory changes that reduced the cost of voice calls down to almost nothing (more specifically, the transition of Switched Access to Bill and Keep enacted with the Connect America Fund ruling in 2011). If they weren't cheap, would the economics work?

In the last 10 years you've seen an amazing reaction to this phenomenon, including commercial activity such as robocalling applications and efforts to cleanse and improve caller ID, but also, as we'll focus here, tremendous legislative and regulatory activity including, but certainly not limited to:



And with all this activity, the FCC estimates we are now down to a mere 4 billion robocalls monthly and a cost of nearly \$1 billion in fraud perpetrated on consumers annually (sarcasm intended). And, more importantly, you're still asking yourself "should I answer" every time your phone rings!

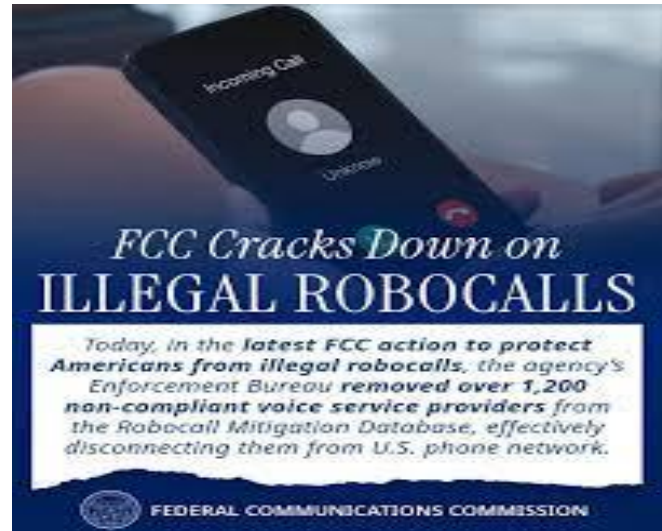
Through the 2019 Declaration of Advanced Methods to Target and Eliminate Unlawful Robocalls and subsequent reports and orders, the FCC has progressively layered requirements of local, wireless, and long distance/gateway providers. These requirements have included provisions for "knowing your customer" which adds rigor to the onboarding and renewal processes for customers. The FCC has also added blocking provisions to certain categories of calls. One such provision requires blocking calls that originate from carriers who are not present in the Robocalling Mitigation Database either by oversight or by having been removed through enforcement. Another such provision has required the use of certain Do Not Originate (DNO) lists to be implemented by various gateway providers.



Why You Should Care:

Through the Eighth Report and Order, however, that requirement to implement a form of a DNO List has now been extended to all operators with a requirement date approximately two months away.

The Enforcement Bureau at the FCC has been aggressive. We see the assessment of more than \$500M in fines over the past 5 years – often targeting the very worst of actors generating the robocalls. More recently, however, we have seen millions of dollars in fines assessed against operators who have failed to implement sufficient mitigation practices. The biggest hammer for these operators happens to be the continued participation in the Robocalling Mitigation Database. Removal from the RMD is tantamount to a death sentence, as other operators are forbidden from accepting traffic from those who lose standing.



About AccretiveFX

AccretiveFX was founded with the purpose of improving the structural integrity of analytical systems, financial processes, and regulatory compliance for telecom operators, and in fact our team members have more than two decades of experience doing exactly that.

In the matter of robocalling: our purpose is to educate, coordinate, mitigate....

- Educate operators on the requirements and various alternatives for compliance;
- Coordinate the decision-making process and related implementation activities; and,
- Mitigate the risks and the inherent cost of deployment leveraging advanced analytics and artificial intelligence in our standardized audit of your business against best practices.

We are an effective partner in understanding your customer trends in relation to regulatory requirements, helping operators not only meet their regulatory requirements but also minimizing both the inherent cost and distraction that comes with it.

Educate, coordinate, mitigate...ok...but what if we could partner to eliminate the cost of compliance? And, what if we could partner to eliminate the risk of non-compliance?

Ask Tim to find out how:

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