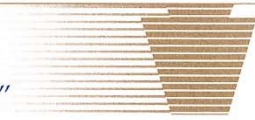


# Pennsylvania Telephone Association

*"The Communications  
Leader in Pennsylvania"*



**SENATE DEMOCRATIC POLICY COMMITTEE**

**POLICY HEARING**

**THE NUISANCE OF ROBOCALLS**

**MARCH 21, 2019**

**TESTIMONY OF**

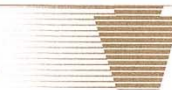
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**THE PENNSYLVANIA TELEPHONE ASSOCIATION**

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Good Morning Chairman Boscola and members of the Senate Democratic Policy Committee.

My name is Steve Samara, and I am President of the Pennsylvania Telephone Association, an advocacy organization which represents the interests of the state's rural local exchange carriers (RLECs).

On behalf of my member companies, I would like to thank you for this opportunity to address an issue which has battlefronts formed on a number of levels and continues to challenge the ingenuity and technological creativity of Pennsylvania's landline companies both large and small.

On that note, the PTA is comprised of rural telcos ranging in size from less than a thousand access lines all the way up to several hundred thousand. While they may differ in size, they all have one thing in common: they serve Pennsylvania's less populated areas and have done so for the last century or so while addressing the myriad changes in technology, customer demands, and a constantly shifting legislative and regulatory landscape.

Telemarketing issues, including robocalls, are among the technological challenges that my member companies face and, technical workarounds at the company level are part of what we do to ensure quality service to our customers.

### **THE PROBLEM**

The Federal Trade Commission (FTC) recently released its Fiscal Year 2018 National Do Not Call Registry Data Book showing that more than 235 million Americans had included their phone numbers to avoid being bothered by telemarketers. And, while the registry numbers continue to increase, the FTC data show that the actual number of overall telemarketing complaints decreased in FY 2018 for the first time in five years (From 7,157,337 in FY 2017 to 5,780,172 in FY 2018). With specific regard to robocalls, the data also show a decrease over the same time period from 4,501,960 to 3,790,614.

From a per capita perspective, Pennsylvania ranks 10<sup>th</sup> in registrations and 14<sup>th</sup> in complaints according to the FTC.

Data from the FCC's February 2019 Report on Robocalls (the Commission's first ever report on the subject), show 185,000 telemarketing complaint calls in 2017 and 232,000 last year.

Regardless of recent downward or upward trends, the problem persists.

## **ADDRESSING THE PROBLEM**

### ***Statutory Initiatives***

Originally passed in 1991, the Federal Telephone Consumer Protection Act is the landmark law when it comes to how telemarketing may be conducted, and the Federal Communications Commission (FCC) passed the implementing regulations putting the law into effect and has updated its regulations several times since.

Among the specific robocall provisions are obtaining prior written consent allowing the telemarketer to make robocalls to an individual and requiring each robocall to have an automated opt-out mechanism allowing the consumer to avoid future calls.

The Truth in Caller ID Act of 2009 (updated last year) prohibits telemarketers from transmitting the inaccurate caller ID information that is often the hallmark of many robocalls, also now extends to text messages and international calls.

Of course at the state level we currently have Senate Bill 306 and House Bill 318 under consideration, which, in addition to keeping numbers on the Do-Not-Call Registry longer, provide for customer-friendly requirements on robocallers.

### ***Enforcement Actions***

Both the FTC and FCC have upped enforcement of the laws currently on the books with the FCC recently claiming that its activity resulted in over \$200 million in fines last year alone.

The FTC recently imposed a \$23 million fine on a Florida telemarketer who was operating a massive robocall network designed to bilk money out of consumers under the guise of debt relief programs.

### ***Soliciting Industry and Consumer Input***

With the realization that parties most affected by the scourge of robocalls would have valuable insights, both the FCC and FTC have partnered to solicit input and share information on what works and what has limited utility.

In November 2018, after several years of compiling industry and interested party input, the FCC released its Second Report and Order in its CG Docket No. 17-59.

More than 40 parties filed comments in the matter, including Pennsylvania's Attorney General who joined with colleagues in 33 states to urge the FCC to allow telcos to block certain robocalls.

One of the products of the FCC-designed discourse was the SHAKEN/STIR protocols which telcos may implement to combat the problem.

At the FTC, the Robocall Challenge is up and running and compiling some interesting and potentially helpful consumer tips for reducing/eliminating unwanted calls. For example, some individuals reported that utilizing the non-working number tones at the beginning of their recorded voicemail message was effective.

### **Staying One Step Ahead**

I don't know if Maxwell Smart coined the phrase, "If only they used their power for good instead of evil", but it certainly comes to mind in the robocall war we're all fighting. I have attached a graphic from the FTC on how robocalls work and what is immediately obvious is that there are numerous parties involved and it is usually a very well-crafted scheme with some technically savvy individuals participating.

Some of my members have developed technical workarounds that are effective for a few months or longer, but those who are intent on defrauding often seem to find a way to do so. All networks have susceptibilities and newer IP-based

networks offer high cover for scam artists who may be operating continents away from the actual customer.

Increasingly however, there are success stories. Some RLECs have developed “white list” options under which the customer tells the company which calls they authorize to be completed and which can only be completed if the calling party dials “1” or after a message is listened to. The only problem with some of these types of solutions is that legitimate robocalls get trapped unless previously authorized to be completed.

Other solutions involve giving the customer the ability to manage their own do-not-call list, screen calls to detect Caller ID spoofing, and establish their own Do Not Disturb time periods during which only callers which you’ve given a PIN can complete a call to you.

It is important that any public policy addressing this matter allows the companies the flexibility to craft solutions to ensure their customers are receiving the high quality service they’re accustomed to from their provider.

In closing, I would simply say that the more light that shines upon this problem the better. Hearings like this one and collaborative efforts between interested

parties at the state and federal level will continue to appropriately prioritize the robocall issue.

Several weeks ago, FCC Chairman Ajit Pai announced that he has made combatting unlawful robocalls his top consumer protection priority and we've previously discussed the collaborative efforts which look like they are bearing fruit.

As we continue addressing this issue I simply ask that you keep the PTA Member Companies at the table in order that we may bring our expertise to the discussion. Any initiative, whether legislative or regulatory, that is unduly burdensome on the telcos runs the risk of not ultimately being beneficial to customers.

Thank you again for this opportunity to offer the perspectives of Pennsylvania's rural landline telephone companies.