FCC Must Eliminate Financial Incentives, Take Aggressive Action to Stop Dangerous Robocalls

August 18, 2022

WASHINGTON – The Federal Communications Commission (FCC) must take swift action to stop telephone service providers from making money by transmitting illegal robocalls to U.S. telephone numbers, according to the National Consumer Law Center (NCLC) and the Electronic Privacy Information Center (EPIC). NCLC and EPIC submitted comments in response to the FCC’s notice of proposed rulemaking on Advanced Methods to Target and Eliminate Unlawful Robocalls.

“We urge the Commission to take this battle up a notch: to issue regulations that are not only more aggressive but also that impose more comprehensive requirements on providers,” said Margot Saunders, senior counsel at the National Consumer Law Center. “The Commission’s top priority in this proceeding should be to stop criminals seeking to defraud telephone subscribers through scam calls and the complicit providers who transmit those calls.”

Chris Frascella, an attorney with the Electronic Privacy Information Center, noted that “In 2020, the FCC said that scam calls cost American telephone subscribers $13.5 billion, breaking it out as $3 billion in nuisance and wasted time and $10.5 billion in lost money to scams. However, direct consumer losses from these illegal calls have since ballooned to over $40 billion a year since that initial estimate. And telephone providers make money from these scam calls every time these fraudsters reach subscribers’ phones.”

While the Commission has undertaken several efforts to mitigate scam robocalls over the last 20 years, none address the root problem: it is more profitable to transmit illegal robocalls than to mitigate them effectively.

To eradicate illegal robocalls, NCLC and EPIC recommend that the Commission should:

- Require telecommunications providers to actually stop transmitting illegal calls and hold providers strictly liable for any robocall-related misuse of numbering resources that they facilitate;
- Develop an expedited process to quickly suspend high-risk providers from Robocall Mitigation Database (RMD) - which means that other providers would be prohibited from accepting calls from these providers when they continue to transmit illegal robocalls after notice;
- Impose licensing and bonding requirements on certain high-risk providers so that the Commission can: a) easily collect forfeitures and fines from bad actors and b) effectively exclude known bad actors with a history of non-compliance; and
- Make traceback information public so more stakeholders—including legal robocallers—can use the information to ensure the providers with whom they deal are not transmitting illegal calls.

In June, NCLC and EPIC issued a report, Scam Robocalls: Telecom Providers Profit, which further examines the robocall epidemic and the profitability of transmitting illegal robocalls.

Related materials:
Press release: NCLC, EPIC Urge FCC to Hold Voice Service Providers Accountable for Transmitting Illegal Robocalls, Jan. 11, 2022
NCLC Digital Library: Getting Money Back For Scammed Consumers, Dec. 15, 2020
Issue Brief: How Congress and the FCC Can Protect Americans from Invasive and Dangerous Robocalls and Robotexts, November 2020

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EPIC is a public interest research center in Washington, D.C. EPIC was established in 1994 to focus public attention on emerging privacy and related human rights issues, and to protect privacy, the First Amendment, and constitutional values. EPIC routinely files amicus briefs in Telephone Consumer Protection Act cases, has participated in legislative and regulatory processes concerning the TCPA, and has a particular interest in protecting consumers from robocallers.