

FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)	
)	
Advancing IP Interconnection)	WC Docket No. 25-304
)	
Accelerating Network Modernization)	WC Docket No. 25-208
)	
Call Authentication Trust Anchor)	WC Docket No. 17-97

Reply Comments of

National Consumer Law Center
on behalf of its low-income clients

Consumer Action

Consumer Federation of America

and

National Association of Consumer Advocates

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Reply Comments

Introduction and Summary

These Reply Comments, submitted by the National Consumer Law Center (NCLC) on behalf of its low-income clients, and Consumer Action, Consumer Federation of America, and the National Association of Consumer Advocates, are in response to comments addressing the Notice of Proposed Rulemaking released by the Federal Communications Commission (Commission or FCC) on October 29, 2025,¹ and published in the Federal Register on November 26, 2025, relating to advancing IP interconnection, and associated issues.² These Reply Comments address only the issue of appropriate classifications for different types of Voice over Internet Protocol (VoIP) providers.

We applaud the Commission for undertaking the NPRM and addressing the unique challenges posed by VoIP providers. The low costs and high call volumes facilitated by VoIP have been exploited by scammers and others who make illegal calls. We urge the Commission not to classify all forms of VoIP as a telecommunications service, however, as doing so would undermine enforcement efforts against those VoIP providers that expose U.S. subscribers to criminals. As we explain in these comments, it is possible to draw distinctions between VoIP providers that should be regulated under Title II, and those who should not be.

Classifying *all* VoIP services as telecommunications services could undermine effective mechanisms to hold these services accountable for facilitating fraudulent or otherwise illegal calls.

¹ FCC, Notice of Proposed Rulemaking in WC Docket Nos. 25-304, 25-208, and 17-97 (adopted October 28, 2025 and released October 29, 2025) (NPRM)

<https://docs.fcc.gov/public/attachments/FCC-25-73A1.pdf>.

² <https://www.federalregister.gov/documents/2025/11/26/2025-21324/advancing-ip-interconnection>. The deadline for this reply comment was extended to February 19, 2026, by the Wireline Competition Bureau. Second Order Granting Extension of Time, adopted and released December 16, 2025. <https://docs.fcc.gov/public/attachments/DA-25-1065A1.pdf>.

Courts have found that this classification exempts VoIP providers from the Federal Trade Commission's (FTC) Telemarketing Sales Rule as well as numerous state laws prohibiting unfair and deceptive acts and practices (UDAP). Application of these laws to complicit providers is an essential tool in the fight against illegal robocalls and scams.

In Section I of these Comments, we describe public enforcement actions against VoIP providers that facilitate scams and other illegal calls. The problematic providers are overwhelmingly originating and intermediate VoIP providers who offer their services to a narrow group of robocallers or other VoIP providers that originate robocall traffic. These companies bear little resemblance to traditional local exchange carriers who have been treated as telecommunications services. In Section II we explain how the Commission can avoid classifying VoIP providers who facilitate scams and other illegal calls as telecommunications services.

I. Certain Types of VoIP Providers Play a Major Role in Making Illegal Calls

Phone calls are a leading contact method through which scammers reach their victims – generating 284,659 reports of attempted fraud to the Federal Trade Commission in 2024 causing median losses of \$1,500.³ There is no dispute that criminals have too much access to the U.S. phone network and routinely make illegal calls that often result in significant financial harm. These problems have escalated in recent years. All available tools to address this intensifying problem should be retained and strengthened. Classifying all VoIP providers as telecommunications services risks eliminating some of the most significant of those tools.

Supplementing the FCC's work against illegal robocalls, the Federal Trade Commission (FTC) and state attorneys general are using the courts to try to stop scam calls. The FTC brings cases against these complicit providers based on violations of the Telemarketing Sales Rule (TSR).

³ FTC Consumer Sentinel Network, Fraud Reports by Contact Method, Reports and Amount Lost by Contact Method, [Consumer Sentinel Network Data Book 2024](#), at pg. 12

The state attorneys general bring their cases under several laws and regulations including claims under the TSR, the Telephone Consumer Protection Act, and state UDAP laws.⁴ These include the following cases:

- *Arizona v. Michael D. Lansky L.L.C.*, an ongoing enforcement action by over fifty state attorneys general against a VoIP provider that allegedly facilitated a “barrage of unwanted robocalls sent to millions of American consumers that are harassing, annoying, threatening, and malicious.”⁵
- *State of North Carolina ex rel. Joshua H. Stein v. Articul8, LLC et al.*, an enforcement action by the North Carolina attorney general alleging that an intermediate VoIP provider knowingly “allows scammers and fraudsters to access the U.S. telephone network and bombard U.S. consumers with fraudulent and illegal telemarketing calls and robocalls.”⁶
- *Indiana v. Startel Comm’n LLC*, a suit against intermediate and originating VoIP providers that allegedly transmitted hundreds of millions of foreign illegal robocalls into the United States.⁷
- *Ohio ex rel Yost v. Jones*, an enforcement action by the Ohio Attorney General alleging that a Panamanian company placed billions of illegal robocalls to U.S. consumers through numerous VoIP providers that facilitated the traffic.⁸
- *State of Vermont v. Telecom carrier Access, LLC, et al.*, a suit by the Vermont Attorney General against TCA VoIP, a gateway VoIP alleged to have “knowingly brought thousands-if not hundreds of thousands-of illegal and fraudulent phone calls into the State of Vermont, and hundreds of millions nationwide.”⁹
- *Off. of Att’y Gen. v. Smartbiz Telecom LLC*, a federal district court decision granting summary judgment to the Florida Attorney General on TSR claims in an enforcement action against an intermediate VoIP provider for facilitating illegal robocalls.¹⁰

The TSR’s enabling statute explicitly limits the scope of the TSR to that of the Federal Trade Commission Act.¹¹ This imports exemptions from the FTC Act into the TSR and specifically means

⁴ See *State Attorneys General & Privacy: Enforcement Trends 2020-2024*, Electronic Privacy Information Center, <https://epic.org/wp-content/uploads/2025/10/EPIC-State-AG-Enforcement.pdf> (documenting numerous enforcement measures taken by state attorneys general against VoIP providers for facilitating illegal robocalls).

⁵ No. CV-23-00233-TUC-CKJ, 2024 WL 3657129 (D. Ariz. May 8, 2024)..

⁶ Case No.: 1:22-cv-00058 (MD NC Jan. 2025) https://ncdoj.gov/wp-content/uploads/2022/01/FILED-Complaint_NC-v-Articul8_22-cv-00058-MDNC-2022.pdf.

⁷ No. 321CV00150RLYMPB, 2022 WL 22702954, (S.D. Ind. Sept. 9, 2022).

⁸ No. 2:22-CV-2700, 2025 WL 316331 (S.D. Ohio Jan. 28, 2025).

⁹ <https://ago.vermont.gov/wp-content/uploads/2022/03/TCA-VOIP-Complaint.pdf>

¹⁰ No. 22-23945-CIV, 2024 WL 4251895 (S.D. Fla. Sept. 19, 2024).

¹¹ 15 U.S.C. § 6105(a), (b).

that the TSR is inapplicable to “common carriers subject to the Acts to regulate commerce.”¹²

Telecommunications services are considered common carriers exempt from the TSR whereas other types of businesses, including information services, are not exempt.¹³

Every state attorney general enforcement action cited above alleged violations of the FTC’s Telemarketing Sales Rule (TSR) against the defendant VoIP provider. Specifically, the provision of the TSR that prohibits “assisting and facilitating” a seller or telemarketer from engaging in most acts or practices that violate the TSR, 16 C.F.R. § 310.3(b), is a cornerstone of state attorney general enforcement efforts. The FTC itself has also brought actions against VoIP providers based on this provision.¹⁴

Classifying all VoIP as a telecommunications service has a direct impact on these enforcement efforts because the TSR is inapplicable to providers of telecommunications service. Furthermore, many states pattern their UDAP laws on the Federal Trade Commission Act, which means that these state laws include exemptions for regulated utility services or services otherwise regulated by state or federal agencies. In states with either type of exemption, classifying VoIP providers as Title II telecommunications services would create a new litigation barrier to public

¹² 15 U.S.C. § 45(a).

¹³ *Indiana v. Startel Commc’n L.L.C.*, 2022 WL 22702954 (S.D. Ind. Sept. 9, 2022) (TSR’s common carrier exemption covers only a “telecommunications carrier” and not an “information service” as defined in 47 U.S.C. § 153; VoIP service provider not exempt); *Fed. Trade Comm’n v. Educare Ctr. Servs., Inc.*, 433 F. Supp. 3d 1008 (W.D. Tex. 2020) (holding VoIP provider to be an information service regulated by the FTC, not a telecommunications service regulated by the FCC, so common carrier exception to TSR and FTC does not protect it from liability for providing substantial assistance to telemarketer that violated TSR).

¹⁴ *Fed. Trade Comm’n v. Educare Ctr. Servs., Inc.*, 433 F. Supp. 3d 1008, 1017 (W.D. Tex. 2020) (alleging liability against VoIP provider for “assisting and facilitating” violations of the TSR by providing interconnected VoIP services to telemarketers engaged in fraudulent credit card interest rate reduction scheme); *see also* First Amended Complaint for Permanent Injunction and Other Equitable Relief, FTC et al. v. Educare Centre Services, Inc. et al., No. 3:19-CV-196 (W.D. Tx Dec. 2019), available at: https://www.ftc.gov/system/files/documents/cases/educare_-_first_amended_complaint.pdf.

enforcement of state UDAP laws. This will result in fewer state enforcement actions aimed at stopping illegal calls and consequently will mean more scams and other unwanted and dangerous communications.

II. The FCC Should Not Classify the Type of VoIP Providers Associated with Illegal Calls as Telecommunications Services

In all of the government enforcement actions described in the previous section the defendant VoIP provider did not offer its services to the general public, but instead either courted robocallers directly, marketed to other VoIP providers who facilitate robocalls, or both. They advertised to and provided most of their services only to robocallers and/or other VoIP providers who were regularly engaged in transferring large numbers of robocalls. Further inquiry into their common characteristics would likely lead to more data that would allow the Commission to avoid blessing the culprits with the exemptions to federal and state laws that accompanies Title II classification.

The Commission has also recognized that certain types of VoIP providers are disproportionately associated with illegal calls. In its most recent annual Report to Congress on Robocalls and Transmission of Misleading or Inaccurate Caller Identification, the Commission stated that its “experience tracing back the origins of unlawful call traffic indicates that a disproportionately large number of calls originate from VoIP providers.”¹⁵ In the same Report, the Commission acknowledged that the most problematic VoIP providers “compete on thin margins, often with minimal staff, rented servers, online sign-ups, and virtual offices, to generate high volumes of calls.”¹⁶ Both the Commission’s experience and state attorney general enforcement actions indicate the same thing: **VoIP providers who do not own essential transmission**

¹⁵ *Rep. to Cong. on Robocalls & Transmission of Misleading or Inaccurate Caller Identification Info.*, 2025 WL 3765210, at *12 (OHMSV Dec. 23, 2025).

¹⁶ *Id.* at *13.

equipment such as switching equipment and do not offer service to the public facilitate overwhelming volumes of illegal calls.

There are probable explanations for why VoIP providers who act as an on-ramp for illegal callers to reach the U.S. phone network do not tend to own transmission facilities or offer services to the public. The capital investments required to purchase or build hardware or software-based switching equipment and to market voice services to the public are substantial. VoIP providers who undertake these investments have an incentive to avoid government enforcement actions or other legal actions that could jeopardize a return on those investments should they be held liable for transmitting illegal calls. On the other hand, VoIP providers who rent access to switching equipment, maintain only a virtual office, and forego widespread advertising because they offer their services only to robocallers and other VoIP providers who facilitate robocall traffic, avoid any significant capital investment and can easily cease operations. If government enforcers or other litigants come calling, these thinly incorporated entities can simply fold, potentially reopening under a new name and quickly restarting their operation. In other words, VoIP providers who do not own transmission equipment and do not offer services to the public have little economic incentive to follow the law. For this reason, it is essential that the Commission maintain every legal enforcement tool that can be used to address illegal conduct by this type of VoIP provider.

We recommend that if the Commission proceeds with its reclassification of VoIP providers, it do so only after excluding providers with some or all of the following characteristics:

- 1) Providers who do not provide services to the general public or provide only a *de minimis* amount of service to the public;
- 2) Providers who court the business of primarily robocallers and/or other VoIP providers who are engaged in transmitting large numbers of robocalls; and,

- 3) Providers who do not own essential transmission equipment such as a hardware or software-based switch and instead rent access to this equipment on a monthly or other short-term basis.

“Facilities-based” VoIP providers, meaning those that “provide the last-mile facility to the customer as well as the VoIP service”¹⁷ are the most appropriate to deem Title II services where they offer their services to the general public. This type of facilities-based VoIP provider closely resembles traditional Title II services and has not been associated with high volumes of illegal calls. Conversely, VoIP providers who do not provide services to the public or only provide de minimis service to the public, who primarily provide services to robocallers or other VoIP providers that transmit robocalls, and who do not own their equipment should not be classified as Title II service providers.

We recommend that the Commission engage in further inquiry into the common characteristics of providers responsible for illegal robocalls and develop additional criteria to articulate additional distinguishing features of the VoIP providers for whom a Title II classification may be appropriate.

Misclassifying VoIP providers who do not own their equipment and do not offer services to the public to be telecommunications services will undercut enforcement efforts that are essential to curtailing the illegal calls that these VoIP providers disproportionately facilitate. Reducing the number of “cops on the beat” by depriving the FTC and state attorneys general of potent legal enforcement tools like the TSR and state UDAP laws will increase the number of illegal calls plaguing consumers. We urge the Commission not to classify VoIP providers who do not own

¹⁷ *In the Matter of Connect Am. Fund*, 30 F.C.C. Rcd. 1587 (2015).

transmission equipment or offer services to the public as telecommunications services to avoid this result.

Conclusion

We appreciate the Commission undertaking the difficult task of updating its rules to better address the continually evolving telecommunications marketplace. VoIP providers who make significant investments in transmission equipment and offer consumer or general business voice services are engaged in activities that closely resemble traditional telecommunications service. However, the “cottage industry of VoIP providers specializing in so-called ‘dialer traffic’”¹⁸ bears little resemblance to a traditional common carrier. These entities are often fly-by-night enterprises with little incentive to follow the law. We urge the Commission to consider this fact and refrain from encouraging illegal behaviors by classifying this type of VoIP provider as a telecommunications service with its concomitant exemption from effective enforcement tools such as the TSR and many state UDAP statutes.

Respectfully submitted this 19th day of February 2026, by:

Patrick Crotty
pcrotty@nclc.org
Margot Saunders
msaunders@nclc.org
National Consumer Law Center
1001 Connecticut Ave., NW
Washington, D.C. 20036

¹⁸ *Rep. to Cong. on Robocalls & Transmission of Misleading or Inaccurate Caller Identification Info.*, 2025 WL 3765210, at *12 (OHMSV Dec. 23, 2025).