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For Immediate Release

**FCC SEEKS COMMENT ON REFORMS TO INTERCARRIER
COMPENSATION SYSTEM FOR CALLS TO TOLL FREE NUMBERS**

Reforms Designed to Increase Efficiency, Fairness, and Curb Abuse

WASHINGTON, June 7, 2018—The Federal Communications Commission is seeking comment on reforms to increase efficiency and fairness in the system governing intercarrier payments for toll free calling, and to eliminate the financial incentive for abusive calling practices, including fraudulent or otherwise unnecessary robocalling to toll free numbers.

Toll free numbers remain popular with business and consumers, even in an era of unlimited calling plans. Businesses find toll free numbers useful as a branding tool, and consumers find them easy to remember.

But certain entities are gaming the FCC’s rules governing intercarrier compensation for toll free calls, which require the providers of toll free long-distance service to pay “originating access” fees to local providers. Providers can game the system by bombarding toll free numbers with robocalls; artificially increasing per-minute access fees; charging the toll free provider for multiple—and unnecessary—queries to the toll free database; and engaging in other types of regulatory arbitrage.

These practices raise costs for both long distance carriers and toll free subscribers. Ultimately, these inefficiencies increase the costs of goods and services to consumers.

To remedy these problems, the FCC is seeking comment on transitioning the toll free intercarrier compensation system to a “bill-and-keep” regime. Under bill-and-keep, each carrier recovers revenues from its own subscribers rather than other carriers.

The Notice of Proposed Rulemaking adopted by the FCC today proposes a three-year transition to bill-and-keep. The Notice also seeks comment on how such a change would affect consumers, and on concerns that the reforms could discourage legitimate toll free calls.

Action by the Commission June 7, 2018 by Further Notice of Proposed Rulemaking (FCC 18-76). Chairman Pai, Commissioners O’Rielly, and Carr approving. Commissioner Rosenworcel dissenting. Chairman Pai, Commissioners O’Rielly, and Rosenworcel issuing separate statements.

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