

**STATEMENT OF
COMMISSIONER GEOFFREY STARKS**

Re: *Rural Call Completion*, WC Docket No. 13-39.

We all depend on the phone network working. We may not know exactly how our call gets from one point to the other, but we assume that when we make a call, it will reach the party we are calling. But for the last decade or so, that assumption did not ring true for some calls to rural areas. And it's not because of technological difficulties. It's because a company in the call path tried to save money by demoting, and in some cases disposing of, calls to rural areas rather than paying the cost to complete them. This is unacceptable. Calls to rural areas are just as important as every other call. These calls could be from a child's school or to check in with family members. They could be calls to hospitals, or fire or police departments — if we can't rely on them going through it raises serious public safety issues.

The Commission has wrestled with rural call completion issues for years. To help understand the problem, let me briefly talk about how a call travels from your phone to whoever you are calling. Some calls start and end on the same carrier's network. But, often the person making a call has a different phone company than the person receiving it. So, calls frequently travel over multiple networks on their path to reach their destination. And, sometimes carriers in a call path may have contracts to hand off some of their traffic to "intermediate" providers. Sometimes these intermediate providers hand traffic off to other intermediate providers who may have cheaper rates to reach different parts of the country. The tricky part is that the final carrier in the call path is entitled to a small payment, typically paid by the carrier that hands it traffic, to complete a call. And, this payment, though still small, can be larger for calls headed to rural areas.

There have been the allegations for years that some intermediate carriers try to avoid paying this charge by gaming the system or simply dumping the traffic altogether. In this case calls never complete. In the worst cases a fake ring signal gets sent back to the caller, so they think the call went through, but it really didn't. The Commission has repeatedly reminded carriers that they have a duty to complete calls,¹ and that they are responsible for the actions of their agents, including their intermediate carriers.² But the rural call completion problems continued. Then, the FCC began to actively enforce this issue, entering into six consent decrees with carriers large and small since 2013, including a \$40 million settlement with a major carrier just last year.³ But the rural call completion problems continued.

The problem grew bad enough that there were calls for Congress to pass legislation to address it. One of the most vexing parts of the problem was how to reach intermediate providers that only handle

¹ See *Developing a Unified Inter-carrier Compensation Regime, Establishing Just and Reasonable Rates for Local Exchange Carriers*, CC Docket No. 01-92, WC Docket No. 07-135, Declaratory Ruling, 27 FCC Rcd 1351, 1356, para. 12 (Wireline Comp. Bur. 2012) (*2012 Declaratory Ruling*); *Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing an Unified Inter-carrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, Universal Service Reform-Mobility Fund*, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-32, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011); *Establishing Just and Reasonable Rates for Local Exchange Carriers; Call Blocking by Carriers*, WC Docket No. 07-135, Declaratory Ruling and Order, 22 FCC Rcd 11629 (Wireline Comp. Bur. 2007).

² See *2012 Declaratory Ruling*, 27 FCC Rcd 1351, 1352, para. 4.

³ See *T-Mobile USA, Inc.*, Order and Consent Decree, 33 FCC Rcd 3737 (EB 2018); *inContact, Inc.*, Order and Consent Decree, 31 FCC Rcd 4329 (2016); *Verizon*, Adopting Order and Consent Decree, 30 FCC Rcd 245 (EB 2015); *Matrix Telecom, Inc.*, Order and Consent Decree, 29 FCC Rcd 5709 (EB 2014); *Windstream Corp.*, Order and Consent Decree, 29 FCC Rcd 1646 (EB 2014); *Level 3 Commc'ns, LLC*, Order and Consent Decree, 28 FCC Rcd 2274 (EB 2013).

traffic in the middle of a call. I know from my time in the Enforcement Bureau that this is tricky stuff – identifying the carrier responsible for actually throwing a call overboard can be like chasing ghosts. Fortunately, in 2017, Congress gave the Commission new and powerful tools and authority to stop this problem. The FCC now has the power to make intermediate providers, a notoriously hard-to-pin-down group, identify themselves by registering with the Commission. Congress also required the FCC to develop service quality standards for intermediate providers. By these actions, Congress brought intermediate providers, including those who are not otherwise regulated as voice carriers, within the Commission’s jurisdiction for the first time. As someone who has worked first-hand on these issues, I was happy to see Congress take these actions, because the Commission has specifically identified intermediate providers in a call path as contributing to rural call completion problems.⁴ The plan was that registration requirements and Commission-designed service quality standards would fix the problem!

So, I was disappointed to see that the product of the Commission’s year-long effort to create service quality standards for intermediate providers was weak tea. We essentially tell them: “complete these calls and keep an eye on each other.” Remember, we have had such difficulty pinning down this group of intermediate providers that Congress had to step in. While I appreciate the hard work of the staff, today’s Report and Order misses a real opportunity to ensure that intermediate providers don’t continue to cause call completion problems by applying some well-grounded standards by which we can measure their behavior or by adopting some specific means by which to hold them accountable.

I fear that the Order doesn’t do enough to fix rural call completion problems that stem from intermediate provider behavior. The registry for intermediate providers is not up and running yet, so we don’t yet understand the full universe of intermediate providers. But we will find out. And nothing in the Commission’s experience or this Order indicates that intermediate providers have the capability to monitor rural call completion performance of other intermediate providers. But we will find out. And the language in the Order limiting intermediate provider obligations to the use of “tools available” and to using “commercially reasonable efforts to alert” other intermediate providers is also concerning. To me these seem like loopholes that will be irresistible to this notoriously hard-to-pin down-group. But we will find out.

Bottom line—I won’t be surprised if we are right back here at some point down the road discussing how to improve the intermediate provider service quality standards to stop rural call completion problems. In that light, I’m pleased that the Chairman and my fellow Commissioners accepted my suggestion to seek comment in a year on how the intermediate provider service quality standards are working, and on whether rural call completion problems have improved.

I know that the Wireline Competition Bureau and the Enforcement Bureau have been hard at work on this issue for years and I thank you for your efforts.

⁴ *Call Completion*, WC Docket No. 13-39, Report and Order and Further Notice of Proposed Rulemaking, 28 FCC Rcd 16154, 16192, paras. 87-88 (2013).