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**For Immediate Release**

**FCC ADOPTS ORDER MODERNIZING RULES FOR TOLL FREE  
CALLS TO REDUCE COSTS AND DISCOURAGE FRAUD**

***Transitions Intercarrier Compensation to “Bill-and-Keep” to Increase Efficiencies  
in Call Routing and Reduce Incentives for Arbitrage***

WASHINGTON, October 9, 2020—The Federal Communications Commission this week adopted an order that shifts most access charges for toll free or 8YY calls to a bill-and-keep system to address arbitrage and fraud undermining the intercarrier compensation system supporting toll free calling. The order will decrease the overall cost of toll free calls, reduce incentives for fraud and arbitrage, and increase efficiencies in call routing and compensation. As a transitional step, the order combines separate 8YY transport and tandem switching charges into a single access charge capped at \$0.001 per minute. The order also transitions charges for 8YY database queries needed to route 8YY calls to \$0.0002 over nearly three years. And 8YY calls will continue to be toll free for consumers, who do not pay for the long-distance portion of these calls.

“Ever since they were first introduced over a half-century ago, toll free calls have provided an essential service to consumers and businesses, providing a recognizable way to contact a business,” said FCC Chairman Ajit Pai. “But the complex carrier-to-carrier billing system underpinning these services has encouraged robocallers to make massive numbers of illegitimate calls to toll free numbers and enabled other arbitrage practices that have driven up costs for consumers and businesses. Now, the gravy train is over. We’re on track to transition to a simpler intercarrier billing system that will end the waste and arbitrage, and enhance the value of toll free services for consumers and businesses.”

Businesses and other institutions use 8YY numbers to provide customer service and to heighten brand awareness, and some even assign specific numbers to individual advertising campaigns to track their effectiveness. In response to the increased demand for 8YY numbers, the Commission has authorized a half-dozen additional toll free codes beyond the original 800 code, including the 888, 877, 866, 855, 844, and 833 codes. Arbitrage and fraud have increasingly raised costs for 8YY providers and customers, and impeded delivery of vital, legitimate calls. For example, in 2019, the National Suicide Prevention Lifeline toll free telephone number was hit by a fraudulent calling scheme that blocked delivery of calls from those who were struggling and seeking help.

Today’s order reduces the intercarrier compensation charges that provide the underlying incentive for 8YY arbitrage schemes involving 8YY calls. The order is another step toward the Commission’s commitment to move all intercarrier compensation to bill-and-keep, an arrangement under which carriers are paid by their subscribers rather than by other carriers to

cover the cost of their networks. It also ensures that the called party will continue to pay the toll charges for toll free calls.

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*This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).*