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**For Immediate Release**

**FCC ADOPTS NEW REQUIREMENTS TO PREVENT GAMING OF ITS  
ACCESS STIMULATION RULES**

*Arbitrage Schemes Raise Costs for Long-Distance Carriers and Their Customers*

WASHINGTON, April 20, 2023—The Federal Communications Commission today adopted rules to deter arbitrage of the access charge system that is designed to compensate carriers for use of their networks by other carriers. The rules adopted today are aimed at ending harmful arbitrage practices that raise costs for long-distance carriers and their customers.

Some local exchange carriers (LECs) have exploited the Commission’s existing access charge rules by inserting an Internet Protocol Enabled Service (IPES) Provider into the call flow to deliver traffic to end users. The LECs then claimed that the rules did not apply so they could avoid financial responsibility by passing the costs on to long-distance carriers.

Historically, access arbitrage schemes used a simple tactic: a local phone company with high access charge rates attracted large volumes of incoming traffic, often by partnering with high-volume calling services, such as “free” conference calling services. The phone company (or its designated intermediate access provider) then collected access charges from long-distance companies that far exceeded the costs of completing the calls. These excessive access charges were ultimately passed on to long-distance customers, regardless of whether those customers actually made calls to high-volume calling services.

The rules adopted today apply to access-stimulation traffic that terminates through IPES Providers, and would establish a bright-line methodology for determining the relevant traffic ratios for both LECs and IPES Providers, thereby avoiding any confusion about whether a LEC or IPES Provider should be considered to be engaged in Access Stimulation, as defined by the Commission’s rules.

Action by the Commission April 20, 2023 by Second Report and Order (FCC 23-31).  
Chairwoman Rosenworcel, Commissioners Carr, Starks, and Simington approving.  
Chairwoman Rosenworcel issuing a separate statement.

WC Docket No. 18-155

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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).*