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PROTECTING CONSUMERS SINCE 1975

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October 14, 2021

Via Electronic Submission

Federal Communications Commission
 Office of the Secretary
 WC Docket Nos. 13-97, 07-243, 20-67
 45 L Street NE
 Washington, DC 20554

**RE: Numbering Policies for Modern Communications
 WC Docket Nos. 13-97, 07-243, 20-67**

Dear Secretary Dortch:

The South Carolina Department of Consumer Affairs (“SCDCA”/“Department”) is pleased to offer comments in response to the Federal Communications Commission’s (“FCC”/“Commission”) proposed rule updates regarding direct access to numbers by providers of interconnected voice over internet Protocol (VoIP) services.

SCDCA is the state’s consumer protection agency. Established in 1974, SCDCA is responsible for the administration and enforcement of over 120 state and federal laws. A large part of our authority stems from Title 37 of the South Carolina Code of Laws, the Consumer Protection Code, of which the South Carolina Telephone Privacy Protection Act¹ is a part. The agency also has responsibility over the statute specifically placing limitations on telephone solicitations and calls made with automatically dialed announcing devices.²

SCDCA supports the proposed rule updates and offers for the FCC’s consideration the following comments regarding trends in illegal robocalls affecting South Carolina consumers, and the benefits to those consumers of additional guardrails to curb illegal and harmful robocalling. These comments are based upon SCDCA’s experience in administering and enforcing telecommunications statutes, processing consumer complaints and scam reports and assisting South Carolina consumers in mitigating identity theft. SCDCA provided similar perspectives to

¹ S.C. Code Ann. § 37-21-10 *et seq.*, the South Carolina Telephone Privacy Protection Act.

² S.C. Code Ann. § 16-17-446.

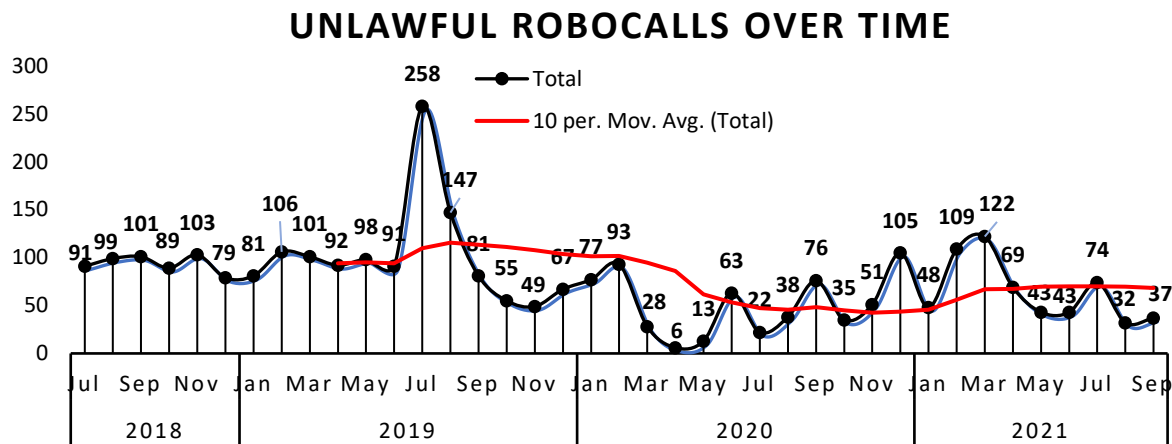


the Commission in WC Docket No. 17-97³ and has updated the data herein to allot for the time passed since the submission of the prior comment letter.

Discussion

The Department’s Identity Theft Unit (“Unit”) ⁴ received reports of 2,972 scam calls between July 2018 and September 2021.⁵ From July 2018 to December 2018, the Unit received reports of 562 scam calls. In 2019, the Unit received reports of 1,226 scam calls. In 2020, the Unit received reports of 607 scam calls, markedly lower. To-date in 2021, the Unit has received reports of 577 calls, on track to finish the year closer to 2019 levels.

Chart 1



**In July 2019, the Unit received a report of 100 phone calls over the previous three years in which the consumer gave a scammer \$65,300 as part of a lottery, prize, or sweepstake scam.*

As shown in the above chart, trends in the number of illegal robocalls reported to the Unit declined during the COVID-19 pandemic’s global economic shutdown but have since grown back towards pre-existing levels. Despite the implementation of STIR/SHAKEN by larger service providers in 2019 and 2020,⁶ it appears illegal robocallers have not been thwarted. South Carolinians continue to suffer from illegal and harmful robocalling. STIR/SHAKEN may be the guardrail for larger networks, but as determined by the Transaction Network Services in their 1H 2021 Report, VoIP originated calls are the largest portion of unwanted calls.

³ https://consumer.sc.gov/sites/default/files/Documents/Advocacy/FTC_Call_Authentication_Trust_Anchor.pdf

⁴ In 2012, the South Carolina General Assembly funded the Identity Theft Unit (“Unit”). The Unit assists victims of identity theft and persons affected by security breaches, and provides identity theft-related education and outreach to consumers in South Carolina. The Unit also processes scam reports, as the main goal of a scammer is often to separate consumers from their personal identifying information or financial resources.

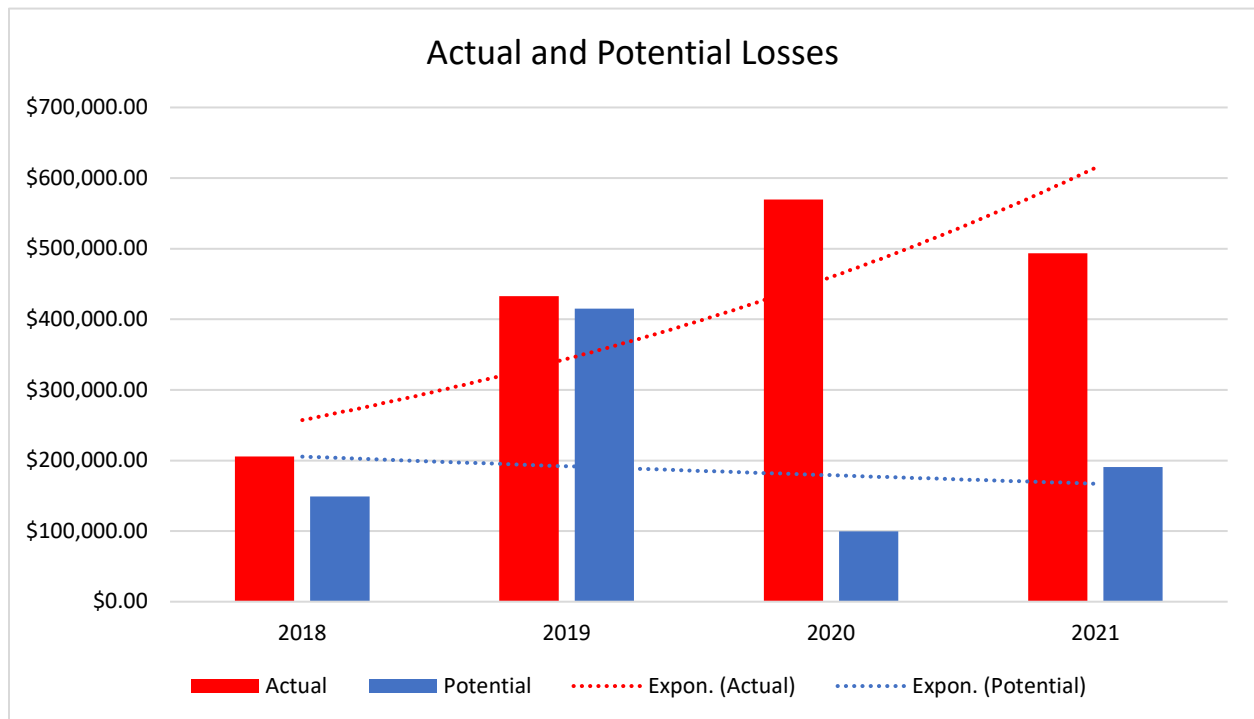
⁵ This includes all records with the contact method of "Phone" with spoof data included. Some reports are of multiple calls.

⁶ See Federal Communications Commission, Report to Congress on Caller ID Authentication Implementation Progress (December 29, 2020), Pp. 7-10.



The continuing trend of monetary losses reported by consumers receiving unsolicited calls even after implementation of STIR/SHAKEN, comprised of potential and actual losses, also supports adding more protections.⁷ From July 2018 to December 2018, the Unit received reports of \$205,486 in actual losses (*i.e.*, money paid by the consumer), and \$149,205 in potential losses (*i.e.*, money requested, but not paid) to scam callers. In 2019, the Unit received reports of \$432,670 in actual losses, and \$415,235 in potential losses to scam callers. In 2020, even though the Unit received half the number of scam reports than in 2019, consumers reported \$569,509 in actual losses, and \$99,824 in potential losses to scam callers. Through September 2021, the Unit has received reports of \$493,670 in actual losses, and \$190,909 in potential losses to scam callers, on track to finish the year with the highest actual losses ever reported, and already the second highest potential losses ever reported.⁸

Chart 2

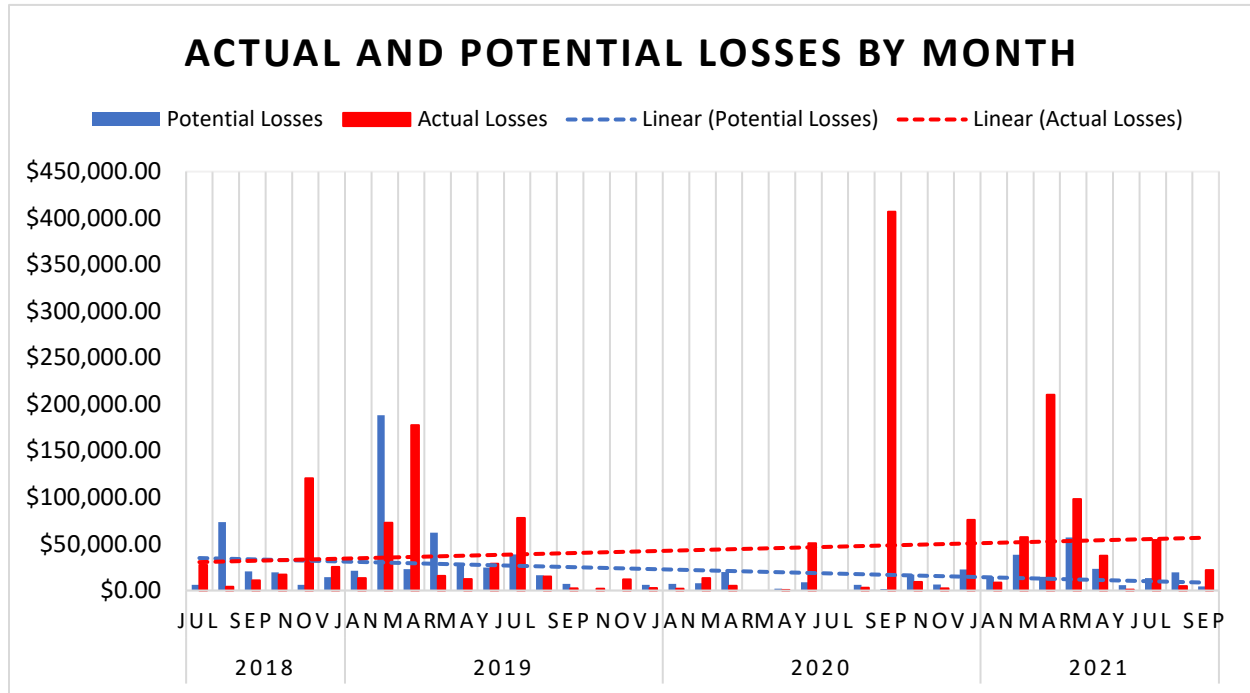


⁷ The Commission states in the Federal Register, page 51087, Paragraph 30 that it estimated the benefits of STIR/SHAKEN implementation would exceed \$13.5 billion per year, and the numbering policy proposals addressed herein are intended to make progress in unlocking those expected benefits.

⁸ Roughly estimated by dividing the current actual and potential losses by $\frac{3}{4}$, as the data comprises roughly three-quarters of the 2021 calendar year.



Chart 3



Based on SCDCA’s experience in processing scam reports, the number of unwanted calls received is not necessarily tied to the actual losses suffered by South Carolina consumers; therefore, SCDCA supports the proposed rule updates as even one scam call could cause substantial financial harm to a consumer. The Department agrees that by requiring all proposed certifications as part of the direct access application process and clarifying existing requirements, the FCC’s proposed rule will reduce the number of these calls and associated losses.

Specifically, the Department supports adding a certification that applicants will not provide numbers to their customers on a trial basis. Further, the FCC could require applicants to certify that if they become aware of any other practice that commonly leads to exploitation, they must implement a mitigation protocol and notify the Commission of the activity and mitigation protocol within a specified time. The Commission could set a threshold of numbers affected or incidences of exploitation, that if exceeded, the applicant certifies to implement a mitigation protocol and notify the Commission, designated agency, or bureau.

Additionally, the Department supports a “know your customer” certification to help protect against identity thieves using stolen identities to obtain numbers that could then be used to make unwanted calls. Further, the providers could certify their due diligence standards include measures that ensure customer identity verification, or that otherwise help prevent identity thieves from obtaining numbers that could then be used to make unwanted calls. Such technology is widely used and available in the form of third-party verification. Additional safeguards could include asking a series of security questions to verify identity, similar to a credit check.



Conclusion

The FCC's proposed rule updates offer enhanced consumer protection while posing little risk to the quality of service provided. SCDCA appreciates the opportunity to comment on the proposed rule updates to the numbering policies for interconnected VoIP providers. We commend the Commission for the work and effort put into this process.

SCDCA hopes you find the information we provided beneficial as you decide a path forward for this proposed rule. Should you have any questions pertaining to our comments, please feel free to contact me at 803-734-4233.

Regards,

A handwritten signature in blue ink, appearing to read "Roger Hall".

Roger Hall, Esq.
Deputy Consumer Advocate