Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Improving Customer Service and Protecting Consumers through Onshoring	)	CG Docket No. 26–52
	)	
	)	
Advanced Methods to Target and Eliminate Unlawful Robocalls	)	CG Docket No. 17-59
	)	
	)	
Rules and Regulations Implementing the Telephone Consumer Protection Act of 1991	)	CG Docket No. 02-278
	)	
	)	
Empowering Broadband Consumers Through Transparency	)	CG Docket No. 22-2
	)	

JOINT COMMENTS OF INCOMPAS AND THE CLOUD COMMUNICATIONS ALLIANCE

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TABLE OF CONTENTS

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In the Matter of	)	
	)	
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	)	
	)	
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	)	
	)	
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	)	
	)	
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INCOMPAS and the Cloud Communications Alliance ("Alliance" or "CCA") respectfully submits these comments in response to the Federal Communications Commission's ("Commission" or "FCC") *Notice of Proposed Rulemaking* ("*Notice*") seeking input on potential solutions to issues related to offshore call centers identified by the FCC.[1]

I. INTRODUCTION

[1] *See Improving Customer Service and Protecting Consumers through Onshoring; Advanced Methods to Target and Eliminate Unlawful Robocalls; Rules and Regulations Implementing the Telephone Consumer Protection Act of 1991; Empowering Broadband Consumers Through Transparency*, Notice of Proposed Rulemaking et al., CG Docket Nos. 26-52, 17-59, 02-278, and 22-2, FCC 26-16 (rel. Mar. 27, 2026) at para. 3.

INCOMPAS and the Alliance appreciate the Commission's focus in this *Notice* on enabling companies to provide a positive customer experience, including protecting consumer choice and addressing concerns regarding data privacy and unlawful robocalls. INCOMPAS and the Alliance members share the Commission's goal of ensuring consumers receive reliable, effective, and secure communications services. Members have invested substantially in customer support operations, workforce training, fraud-prevention technologies, cybersecurity protections, and service-optimization tools designed to improve customer interactions and responsiveness.

Members utilize a variety of customer service models, including both onshore and offshore call centers, and differentiate themselves through delivering quality customer experiences. Our member companies invest in workforce development, backend support systems, artificial intelligence ("AI")-enabled customer service tools, multilingual support capabilities, and global service operations to meet evolving consumer expectations and provide high-quality, efficient support experiences. These investments reflect the reality that customer experience itself is a key competitive differentiator in today's communications marketplace. Companies that fail to deliver effective customer support face reputational harm, customer churn, and lost revenue.

The Commission should ensure that any rules adopted are narrowly tailored to demonstrated harms and grounded in a clear cost-benefit analysis. Rigid structural mandates, such as mandatory onshoring requirements, fixed offshore call caps, or burdensome transfer obligations, risk undermining competition, raising consumer costs, and limiting the ability of companies to innovate and optimize service delivery. The Commission should instead preserve flexibility for companies to develop customer service models that best meet their customers'

needs, while relying on targeted, evidence-based approaches to address legitimate concerns about customers, while relying on targeted, evidence-based approaches to address legitimate concerns regarding fraud, privacy, and consumer protection. As the Commission considers action in this proceeding, INCOMPAS and CCA respectfully submit the arguments below.

II. THE COMMISSION LACKS AUTHORITY TO REGULATE USE OF OFFSHORE CALL CENTERS

A. The Major Questions Doctrine and *Loper Bright* Preclude Assertion of Authority

The Commission seeks comment on whether a number of different statutory provisions provide authority for the agency to regulate the use of offshore call centers by telecommunications carriers, interconnected VoIP providers as well as providers of internet access and other information services. The Commission's proposed regulations will trigger review under the major questions doctrine, and its interpretations of statutory authority will be assessed *de novo* by the courts.

The major questions doctrine requires Congress to "speak clearly if it wishes to assign to an agency decisions of vast economic and political significance."[2] In such cases, it is not enough for an agency to identify a "colorable textual basis" for the claimed authority; the agency must instead "point to 'clear congressional authorization'" for its assertion of power.[3] Here, the Commission proposes to engage in a broad industrial policy of onshoring that will affect, depending on the Commission's ultimate determination of the scope of proposed rules, every

[2] *West Virginia v. EPA*, 597 U.S. 697, 721-22 (2022).

[3] *Id.* at 722-23.

communications company in the country.[4] While the statutory provisions the *Notice* cites as possible sources of authority provide various levels of discretion, none come close to expressly delegating authority to dictate the decisions of U.S. businesses regarding where to locate their customer service representatives.

Moreover, under the Supreme Court's decision in *Loper Bright*, an interpretation by the Commission that a statutory provision confers authority to regulate all use of offshore call centers must be not just permissible, it must be the single best reading of the statute.[5] The Commission's interpretation will not be accorded deference. Read against these restrictions on agency discretion, none of the provisions that the Commission cites provide the requisite authority.

B. The Determination To Use Foreign-Based Customer Service Representatives Is Not A Practice In Connection With Common Carrier Service Under Section 201(b)

The Commission seeks comment on whether section 201(b) of the Act provides authority to regulate telecommunications carriers' use of offshore call centers, as opposed to onshore call centers, for calls with current or prospective customers.[6] For section 201(b) to provide authority for the proposed rules, including banning the use of offshore call centers, the Commission must find that their use constitutes an unjust and unreasonable practice in connection with interstate or foreign communications services.[7] The Commission claims the terms "practice" and "in

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[4] Notice para. 23 (proposing to apply its rules to "providers of telecommunications services, CMRS, interconnected VoIP, cable television service, and [Direct Broadcast Satellite] services" as well as "internet access service.").

[5] *Loper Bright Enterprises v. Raimondo*, 603 U.S. 362 (2024).

[6] Notice para. 78.

[7] 47 U.S.C. § 201(b) ("All charges, practices, classifications, and regulations for an in connection with [interstate or foreign] communication service, shall be just and reasonable and any such

connection" with a common carrier service have been broadly construed to include a variety of practices and that these rulings provide precedent for applying 201(b) here.[8] Those terms, however, cannot be stretched to include the selection of where to house employees or contractors. None of the Commission or court precedents cited in the *Notice* support such an unrestrained expansion of 201(b).

As an initial matter, the *Notice* does not frame the question correctly. It asks whether communicating with customers on the types of matters commonly handled by consumer call centers, such as billing questions, constitutes practices in connection with communications services.[9] But communications with consumers is not the practice at issue. The Commission does not propose to regulate all such communications, only those involving a foreign call center. Thus, it is the use of a foreign call center, as opposed to a domestic call center, that must be found to be an unlawful or unjust practice in connection with interstate and foreign communications.[10] The phrase "in connection with" acts as a limitation on the Commission's authority to broadly regulate practices as the phrase requires that the practice be an "integral part" of the common carrier's interstate or foreign communications.[11] The determination to use

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charge, practice, classification, or regulation that is unjust or unreasonable is declared to be unlawful.").

[8] Notice para. 78.

[9] Notice para. 79.

[10] To be sure, the Commission would likely contend that the use of offshore call centers is an unreasonable practice because consumers at least perceive that service is worse and information is less protected. But the record cited for these claims in the Notice is sparse and anecdotal. We anticipate that a more fulsome record will reveal the Commission's claims of a poorer customer experience are unsupported.

[11] *Global Crossing Telecom, Inc. v. Metrophones Telecom. Inc,* 550 U.S. 45, 55 (2007).

offshore call centers is not integral to a telecommunications carrier's provision of a telecommunications service.

The Commission nevertheless claims the terms "practice" and "in connection with" have been construed broadly and cites several examples lifted from the Supreme Court's decision in *Global Crossing.*[12] Those examples represent a limited and discrete set of practices that more or less comfortably fall within section 201(b)'s ambit. They involve rate setting,[13] violating lawful Commission regulations,[14] engaging in deceptive marketing practices,[15] or precluding competitors from extending their networks into buildings.[16] The decision to use a foreign call center as opposed to a domestic one is, not only a lawful act consistent with concepts of freedom of enterprise, it involves actions far removed from the Commission's stated precedents. Moreover, the cited practices that were upheld by the courts were all based on *Chevron* deference as a reasonable reading of section 201(b), which as we know is no longer applicable law, rendering the Commission's reading of purported precedent unconvincing.[17]

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[12] Notice at para. 78 (citing *Global Crossing*, 550 U.S. at 53-54).

[13] *Cable and Wireless v. FCC*, 166 F.3d 1224, 1231 (D.C. Cir. 1999) ("The FCC has interpreted practices to encompass negotiation and payment of settlement rates by U.S. carriers").

[14] *Global Crossing,* 550 U.S. at 61 ("The only practice before us, then, and the only one we consider, is the carrier's violation of that FCC regulation requiring the carrier to pay the payphone operator a fair portion of the total cost of carrying a call that they jointly carried — each supplying a partial portion of the total carriage").

[15] *NOS Communications, Inc. & Affinity Network Inc.*, Notice of Apparent Liability, 16 FCC Rcd 8133 (2001).

[16] *In re Promotion of Competitive Networks in Local Telecommunications Markets*, 15 FCC Red. 22983, 23000, para. 35 (2000) (entering into exclusive service contracts with building owners in an unreasonable practice because it impedes competition).

[17] *See Global Crossing*, 550 U.S. at 57-58 ("we have made clear that where 'Congress would expect the agency to be able to speak with the force of law when it addresses ambiguity in the

The Commission also relies on the Sixth Circuit's split opinion in *Ohio Telecom Ass'n v. FCC*.[18] The court found the Commission has authority under section 201(b) to require telecommunications carriers to report data breaches involving customers' personally identifiable information (PII), which the court found constituted a practice in connection with communications services.[19] In dissent, Judge Griffin concluded the majority's finding that data breach reporting constituted a "practice" rendered Section 201(b) unlimited.[20] Judge Griffin also found that the court had ventured far beyond precedent by upholding the regulation of an activity, data breach reporting for PII, that did not "resemble[] activity that … communications agencies have long regulated."[21]

The Commission's reliance is peculiar for two reasons. First, the decision is of questionable precedential value. Following a petition for *en banc* review, the Commission itself moved to hold the case in abeyance, representing to the court that "[t]he Commission now has three sitting members, only one of whom (Commissioner Gomez) voted to approve the *Order*, and is in the process of evaluating the agency's past actions, including the *Order* challenged

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statute or fills a space in the enacted law," a court "is obliged to accept the agency's position if Congress has not previously spoken to the point at issue and the agency's interpretation" (or the manner in which it fills the "gap") is "reasonable."); *Cable & Wireless*, 166 F.3d at 1231 ("Because the Commission's determination is reasonable, we should uphold it under *Chevron's* second step.")

[18] *Ohio Telecom Ass'n v. FCC*, 150 F.4th 694 (6th Cir. 2025).

[19] Notice at para. 79 (citing *Ohio Telecom Ass'n v. FCC*, 150 F.4th 694 (6th Cir. 2025)).

[20] 150 F.4th at 731-32 (J. Griffin dissenting).

[21] *Id.* at 733 (quoting *Glob. Crossing*, 550 U.S. at 55-56).

here." [22] The court granted the motion.[23] The Commission's own filing strongly suggests it no longer considers the underlying *Order* legally sound. It would be difficult to reconcile citing the resulting decision as authority for an expansive reading of Section 201(b) while simultaneously seeking to revisit the order that produced it. Second, Chairman Carr sharply dissented to the underlying *Data Breach Order*, arguing, among other things, that the Commission lacked statutory authority to extend its data breach notification framework to personally identifiable information ("PII") beyond the customer proprietary network information that Congress authorized the agency to regulate.[24] The dissent in *Ohio Telecom* echoed that concern, concluding the majority's interpretation rendered Section 201(b) effectively unlimited and extended the Commission's reach well beyond activity that communications agencies have historically regulated. [25] It would be ironic, to say the least, for the Commission to now rely on that court decision to support an overly broad reading of what constitutes a practice in connection with communications service to authorize regulating offshore call centers.

C. CPNI Provisions Do Not Authorize Regulation of Offshore Call Centers

[22] *Ohio Telecom*, Respondent Federal Communications Commission Unopposed Motion to Hold Case In Abeyance, at 2 (Sept. 29, 2025). *See also*, Petitioners' Response to FCC's Motion to Hold Case in Abeyance, at 2 ("The FCC's own request for abeyance—so that it can reconsider the order itself—strongly suggests that the FCC agrees with Petitioners that the 2024 Reporting Rule and the panel decision are legally flawed.")

[23] *Ohio Telecom*, Order, Oct. 7, 2025.

[24] *Data Breach Reporting Requirements,* Report and Order, 38 FCC Rcd 12523, 12621 (2023) (Data Breach Order), ("For instance, instead of limiting the FCC's rule to the set of customer proprietary network information (CPNI) over which the agency has jurisdiction, the Order purports to expand the agency's CPNI framework to an expansive set of personally identifiable information (PII)—even though Congress never gave us authority to regulate PII in this manner and the Commission never sought comment on doing so.")

[25] 150 F.4th at 733 (J. Griffin dissenting, quoting *Glob. Crossing*, 550 U.S. at 55-56).

The Commission seeks comment on whether section 222 of the Act provides authority to bar use of offshore call centers to handle "sensitive transactions," to allow customers to request using a US-based representative, to bar locating call centers in "adversary countries" or adopt other regulations to protect "sensitive customer information."[26] Section 222, and the Commission's implementing rules, require telecommunications carriers to protect the confidentiality of customer proprietary information ("CPNI"). Those requirements, however, do not extend beyond the specific definition of CPNI and do not reach "personal sensitive information" such as credit cards or social security numbers. On this point Chairman Carr and the Sixth Circuit are in alignment. As then Commissioner Carr wrote in his dissent to the *Data Breach Order*, "instead of limiting the FCC's rule to the set of customer proprietary network information (CPNI) over which the agency has jurisdiction, the *Order* purports to expand the agency's CPNI framework to an expansive set of personally identifiable information (PII)—even though Congress never gave us authority to regulate PII in this manner and the Commission never sought comment on doing so."[27] The Sixth Circuit agreed, finding that Section 222 does not encompass PII.[28] Section 222 thus provides no authority to prevent use of offshore call centers for "sensitive transactions."

Nor does Section 222 provide any authority to regulate use of offshore call centers involving information services such as texts, emails, or chatbots. At most, the Commission has

[26] Notice at para. 80.

[27] Data Breach Order, 38 FCC Rcd at 12621.

[28] *Ohio Telecom*, 150 F.4th at 711.

extended CPNI to cover interconnected VoIP service.[29] Yet even where Section 222 provides express authority to protect CPNI, application of this section to curtail use of offshore call centers as proposed by the Commission is unnecessary. The proposal to use Section 222 to underpin a set of obligations specifically on offshore call centers is predicated on an unsupported supposition that CPNI is less protected when shared with offshore customer representatives. Offshore customer service representatives, however, are trained in CPNI obligations to the same extent as U.S. based representatives. U.S. carriers remain subject to the CPNI's requirements whether information is shared onshore or offshore and thus have every incentive to ensure appropriate protective measures are in place.

D. Section 251(e) Does Not Provide Authority to Regulate Offshore Call Centers

The Commission next asks whether section 251(e) provides authority to adopt the proposed regulations. Section 251(e) states that "[t]he Commission shall have exclusive jurisdiction over those portions of the North American Numbering Plan that pertain to the United States."[30] The major questions doctrine precludes finding that section 251(e) provides the requisite authority for regulating the use of offshore call centers. It is simply implausible to find in this provision governing the use of telephone numbers an express delegation of authority to prescribe where communications providers locate customer service representatives or to dictate

[29] *Implementation of the Telecommunications Act of 1996: Telecommunications Carriers' Use of Customer Proprietary Network Information and Other Customer Information; IP-Enabled Services*, CC Docket No. 96-115, WC Docket No. 04-36, Report and Order and Further Notice of Proposed Rulemaking, 22 FCC Rcd 6927, 6954-57, paras. 54-59 (2007) (*CPNI Order*).

[30] 47 U.S.C. § 251(e). The Commission defines the North American Numbering Plan (NANP) as the basic numbering scheme permitting interoperable telecommunications services within the U.S., Canada, Bermuda, and most of the Caribbean. North American Numbering Plan General Management and Oversight | Federal Communications Commission. Section 251(e) simply confirms that the Commission has exclusive jurisdiction over numbering rules within the United States.

the process and procedures for utilizing customer service representatives located in offshore call centers.

Even without application of the major question doctrine, interpreting section 251(e) to provide authority to regulate and, for some transactions to ban altogether, the use of offshore call centers finds no support in that provision's text. Under *Loper Bright,* the Commission must demonstrate that incorporating authority to regulate offshore call center rules into section 251(e) is the best reading of the statute. Claims of ambiguity and gap filling to deduce a permissible interpretation no longer suffice.[31] Moreover, finding authority in 251(e) to regulate use of call centers would render virtually limitless the ability of the Commission to dictate the business decisions of companies simply because they are assigned telephone numbers.

E. The Telephone Consumer Protection Act ("TCPA") Does Not Provide Authority to Regulate Use of Offshore Call Centers

The Commission seeks comment on whether sections 227(c) and (d) of the TCPA the provide authority to adopt the proposed rules.[32] Neither section provides the requisite authority for the far-reaching regulations the Commission proposes.

i. Section 227(c)

As the Commission notes, section 227(c) authorizes the agency to implement methods and procedures to protect residential telephone subscribers from receiving telemarketing calls to which they object.[33] The Commission has implemented that provision by establishing that Do Not Call registry. The Commission's recitation of section 227(c) recognizes that it is limited to

[31] *Loper Bright,* 603 U.S. at 408.

[32] Notice at paras. 97-99. *See also* Notice at paras. 64-65.

[33] Notice at para. 97.

outbound telemarketing calls to residential subscribers. By its plain terms, it confers no authority over inbound service-related calls or any informational call, outbound or inbound.

In light of its limited reach, the Commission more specifically asks if section 227 could support a mandate that effectively would require offshore call centers to provide consumers an option to receive objectionable calls only from onshore call centers or to require that objectional calls be made by those sufficiently proficient in English.[34] Neither proposal plausibly furthers the purposes of this section.

In any event, the proposals run far afield from the provisions of section 227(c). It directs the Commission to "compare and evaluate alternative methods and procedures (including the use of electronic databases, telephone network technologies, special directory markings, industry-based or company-specific 'do not call' systems, and any other alternatives, individually or in combination) for their effectiveness in protecting" residential subscribers. Section 227(c) directs the Commission to consider systems, technologies or databases, not disclosures or language proficiency. Although the provision offers some discretion to consider alternatives, those alternatives must be consistent with the technological solutions specifically proposed. Text must be interpreted by the company it keeps.[35] If the Commission wishes to exercise additional

[34] Notice at para. 97 (asking if section 227(c) would "authorize the Commission to adopt a rule that requires foreign callers making telephone solicitations to disclose and provide to the consumer an opportunity to specifically object to receiving such solicitations and messages from outside of the United States?"); *id.* ("Would it authorize the Commission to adopt American Standard English proficiency standards for telephone solicitations made from foreign call centers to residential telephone subscribers in the United States?")

[35] *McDonnell v. United States*, 579 U.S. 550, 551 (2016) (noting the "familiar interpretive cannon" that a "word is know by the company it keeps.").

authority to "further restrict telephone solicitations," section 227(c)(1)(D) requires the agency to propose such restrictions to Congress assuming there is sufficient record to support the request.[36]

ii. Section 227(d)

Section 227(d) also confers no authority to regulate offshore call centers. The Commission asks, for example, if that section could require a disclosure that the call originates from a foreign location or support mandating transfers upon request.[37] Section 227(d) requires the Commission to prescribe "technical and procedural standards" for systems used to transmit any artificial or prerecorded voice message via telephone.[38] An offshore call center is not a system to *transmit* a message. But even if it were, the remainder of this section very specifically prescribes only two required disclosures and does not leave room to expand on them. Section 227(d)(3) provides:

> Such standards shall require that—
> (A) all artificial or prerecorded telephone messages (i) shall, at the beginning of the message, state clearly the identity of the business, individual, or other entity initiating the call, and (ii) shall, during or after the message, state clearly the telephone number or address of such business, other entity, or individual; and
> (B) any such system will automatically release the called party's line within 5 seconds of the time notification is transmitted to the system that the called party has hung up, to allow the called party's line to be used to make or receive other calls.

iii. The TCPA Cannot Be Used to Regulate "Foreign Callers"

[36] 47 U.S.C. § 227(c)(1)(D).

[37] Notice at para. 98.

[38] 47 U.S.C. § 227(d)(3).

The Commission seeks comment on whether it can apply these TCPA provisions to "foreign callers."[39] The TCPA, however, does not have extraterritorial reach, as the Commission acknowledged when barring U.S. gateway providers from accepting calls from foreign providers that are not listed in the Robocall Mitigation Database ("RMD").[40] The Commission was careful to note that the RMD rule "does not constitute the exercise of jurisdiction over foreign voice service providers."[41]

Granted that the Commission may adopt rules applying to U.S. companies that have an indirect effect on foreign providers, such as capping the amount that U.S. companies could pay foreign providers in international settlement charges. Although that rule indirectly effected how much foreign providers would receive in payments, the rule nevertheless passed muster because it only regulated US companies.[42] Here, by contrast, the proposals directly regulate foreign call centers by, among other proposed rules, requiring them to adopt certain English proficiency standards, requiring transfer of calls upon demand, or barring foreign entities from operating call centers involving sensitive transactions. These are not regulations on domestic providers with an indirect effect on foreign call centers. They are instead regulations imposed directly on foreign entities.

iv. The Proposed Rules Are Not Necessary to Achieve the Goals of the TCPA

[39] Notice para. 65.

[40] *Advanced Methods to Target and Eliminate Unlawful Robocalls; Call Center Trust Anchor*, Order on Reconsideration, 37 FCC Rcd 6865, 6916 (2022).

[41] 37 FCC Rcd at n. 382. *See also Cable & Wireless v. FCC,* 166 F.3d 1224, 1239 (D.C. Cir. 1999) ("The Commission claims no authority to directly regulate foreign carriers.").

[42] *Cable and Wireless*, 166 F.3d at 1229-30.

Finally, attempting to find authority within the TCPA to regulate foreign calls centers is not necessary to apply the protections of that statute to U.S. consumers. As the Commission suggests, to the extent foreign call centers make calls subject to the TCPA on behalf of domestic providers, the domestic providers likely remain liable under the statute to the extent vicarious liability attaches.[43] Cognizant of the potential liability, which can be severe given the TCPA's statutory damages provisions, U.S. providers make every effort to ensure that foreign call centers making calls on their behalf comply with the TCPA's various obligations.

F. Interconnected VoIP

The Commission asks if it can apply the offshore call center regulatory proposals to interconnected VoIP providers through its ancillary jurisdiction, as exercised when extending its CPNI rules to such providers.[44] To exercise its ancillary jurisdiction, the Commission must show that it has general jurisdiction under Title I and, more importantly, that the proposed regulations are "reasonably ancillary to the Commission's effective performance of statutory mandated responsibilities."[45] As set forth above, the Commission's CPNI rules do not confer authority to promulgate the proposed regulations, they therefore cannot provide a basis to exercise ancillary jurisdiction.[46] Similarly, for the same reasons discussed above regarding section 251(e), that provision cannot support application of the proposed regulations to interconnected VoIP providers as the Commission suggests.

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[43] Notice at para. 99.

[44] Notice at paras. 83-84.

[45] *Am. Library Ass'n v. FCC*, 406 F.3d 689, 691–92 (D.C. Cir. 2005).

[46] *See Comcast Corp. v. FCC*, 600 F.3d 642, 659-661 (D.C. Cir. 2010) (where substantive provisions lack requisite authority, they cannot sustain ancillary jurisdiction).

G. Information Services

i. The Commission Does Not Have Legal Authority to Impose Title II-type Obligations on Information Services

The *Notice* seeks comment on whether its proposed rules should apply to various non-voice communications, including internet access services, on-line chat, texts, and/or email, as well as providers of non-interconnected VoIP and internet-only providers.[47] The Commission does not have authority to impose Title II type regulations on Title I information services.[48] Although the Commission could potentially regulate these various information services through an appropriate exercise of ancillary jurisdiction, as just noted, none of the substantive Title II provisions cited in the *Notice* provide the requisite authority to anchor ancillary jurisdiction. The *Notice* suggests potentially that it may impose some offshore call center regulations on these various information services under a general umbrella of national security.[49] Although section 151 lists national defense as a purpose of the Act, section 151 provides no substantive authority for the agency to impose regulations, nor can it anchor the use of ancillary jurisdiction.[50] Notably, the Commission's previous extension of regulation to interconnected VoIP has been limited to specific sources of statutory authority to regulate non-economic, socially beneficial behaviors, such as contributing to the Universal Service Fund and complying with CPNI rules. Absent specific statutory authority, such as that provided in the Martha-Wright Reed Act, the

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[47] Notice at paras. 22-23.

[48] *See Natl. Cable & Telecommunications Assn. v. Brand X Internet Servs.*, 545 U.S. 967, 976 (2005). *In the Matter of Pulver.com*, FCC 04-27, (2004).

[49] Notice at paras. 95-96.

[50] *Comcast v. FCC*, 600 F.3d 642, 654 (D.C. Cir. 2010) (statements of policy, such as section 151, do not delegate regulatory authority and cannot be the basis for asserting ancillary jurisdiction).

FCC has not regulated non interconnected VoIP services. There is no similar statutory authority to impose call center use restrictions on non-interconnected VoIP or information services generally.

The *Notice* offers no coherent argument for regulating non-interconnected VoIP under its ancillary authority, for offshore call centers, or otherwise. Nor should it; imposing any Title II common carrier obligations, even without full-telecommunications service designation, is likely to trigger the common carrier exemption to Federal Trade Commission ("FTC") authority and narrow FTC enforcement options.[51] Courts have interpreted the exemption based on actual conduct of the operator, not on formal classification labels.[52] Today, the FTC can police non-interconnected VoIP providers for unfair or deceptive practices, data privacy violations, and unfair competition. Any regulatory action that renders these providers "common carriers subject to" the Communications Act—whether through full reclassification or selective imposition of Title II duties—risks eliminating that existing enforcement mechanism and concentrating all oversight at the FCC, a net loss of regulatory coverage and, arguably, consumer protection rather than a gain.

The *Notice's* core consumer protection rationale appears to be grounded in a specific regulatory relationship: a carrier holds sensitive CPNI, maintains an ongoing service relationship with a subscriber, and that subscriber has limited ability to exit or seek recourse when offshore call center interactions go wrong. That structural dynamic — captive subscriber, sensitive data,

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[51] 15 U.S.C. § 45(a)(2).

[52] *See FTC v. AT&T Mobility LLC*, 883 F.3d 848, (9th Cir. 2018) (en banc) (holding the common carrier exemption in Section 5 of the FTC Act is "activity-based" — applying to the extent an entity engages in common carrier services — rather than "status-based," meaning the exemption turns on whether common carriage obligations attach to the specific conduct at issue, not the entity's overall regulatory classification).

regulated service relationship — is the basis for the offshore call center concern and provides the basis for many of the Commission's cited authorities in this proceeding.

Non-interconnected VoIP and internet-only service providers, however, often operate in a materially different context. Unlike traditional telecommunications carriers, these providers may not interconnect with the PSTN, may not participate in numbering administration at all, or in the same manner, and may not handle the same categories of subscriber or network data that traditionally informed Section 222 and related obligations. Congress built that provision around carriers with access to call records, location data, and billing information flowing through the traditional telephone network. A non-interconnected VoIP provider typically doesn't hold that data profile on its users in the same way, and to the extent it holds sensitive data, that's governed by other bodies of law that already apply (e.g., FTC, as discussed above). Nor do non-interconnected VoIP and internet-only service providers generally obtain numbers from NANPA or participate in the numbering administration framework. To the extent the Commission considers extending new requirements to these entities, it should carefully evaluate whether the underlying statutory and policy rationale applies in the same way and ensure that any obligations adopted remain narrowly tailored to demonstrated risks and within the scope of existing legal authority.

ii. Imposition of Call Center Mandates on Over-the-Top, Non-Interconnected VoIP and Internet-Based Communications Service Could Harm Both Competition and Consumers

The Commission should also carefully consider the competitive and consumer impacts of applying rigid call center mandates to over-the-top ("OTT"), non-interconnected VoIP, or internet-based communications services. Broad structural requirements imposed on these services could reduce consumer choice, increase compliance burdens, and create barriers for innovative providers that rely on flexible, low-cost, or ad-supported business models. In markets

where consumers often have access to free or low-cost communications alternatives, overly prescriptive regulation could inadvertently reduce service availability, discourage entry, or limit the ability of providers to compete through differentiated service offerings.

This concern is particularly important because many OTT and internet-based communications platforms already compete by deploying advanced technologies designed to improve safety, trust, and user experience. These tools may include blocking unwanted or suspicious contact, restricting mass-messaging behaviors, detecting potentially fraudulent activity, surfacing contextual warnings before a user interacts with unknown contacts, and providing behavioral alerts when unusual activity suggests potential scams or account misuse. These innovations are often dynamic and evolve quickly in response to user behavior, security threats, and changing market demands. Accordingly, the Commission should avoid adopting broad, one-size-fits-all mandates that could unintentionally limit innovation, weaken competition, or constrain the ability of companies to continue developing consumer-focused safety tools. Instead, the Commission should ensure that any obligations adopted in this proceeding are evidence-based, appropriately tailored, and reflective of the distinct technical, legal, and competitive realities across different communications services.

III. OFFSHORE CALL CENTERS DELIVER HIGH-QUALITY SERVICE AND ALLOW FOR MARKET DIFFERENTIATION

A. Companies Already Have Strong Market Incentives to Deliver High-Quality, Consumer-Friendly Customer Service Experiences, Making Additional FCC Regulation Unnecessary

Companies already face substantial market pressure to deliver high-quality, responsive, and consumer-friendly customer service experiences. In today's marketplace, customer experience is a key competitive differentiator, and companies compete vigorously to attract and

retain customers based on the quality of their support services, issue resolution, and overall consumer experience. As a result, companies invest heavily in workforce training, backend support systems, analytics tools, AI-enabled customer service technologies, and operational improvements designed to maximize customer satisfaction and minimize churn.

The *Notice* appears to treat call center location as a proxy for customer service quality. However, customer service quality and satisfaction depend in large part on factors like workforce stability, training, operational systems, and support infrastructure. Domestic call centers are not immune to service quality challenges. In the United States, call center customer service positions are widely recognized as high-turnover occupations, with industry estimates placing annual attrition rates between 30 and 45 percent,[53] and face persistent challenges in workforce continuity and institutional knowledge retention. These structural challenges affect service consistency in ways that location-based regulatory mandates would not address.

In many cases, member companies have found that offshore operations frequently meet or exceed the service quality benchmarks of domestic alternatives demonstrating that quality is a function of workforce availability, management and investment, not location. Often, the share of customer service workers in offshore markets who have completed post-secondary education can exceed that of comparable domestic workforces, contributing to deeper product knowledge, greater, technical proficiency, and stronger familiarity with customer needs over time. This combination of workforce depth, educational attainment, and accumulated experience frequently translates into measurable operational benefits, including, stronger first-call resolution

[53] *Call Center Turnover Rates: 2026 Industry Average, Insignia Resources* (April 22, 2026) (Call center turnover rates average 40-45% annually in 2026, with high-stress sectors reaching 55-60%); *Call Center Attrition Rates, Benchmarks, & Industry Standards*, Avoxi (attrition rate of large-sized call centers is 44%).

performance, greater consistency across customer interactions, and improved continuity of service for consumers. The market is already producing these outcomes without regulatory intervention. Additional prescriptive mandates from the FCC risk disrupting operational models that are working, imposing compliance costs that fall disproportionately on smaller providers, and deterring the kind of workforce the kind of workforce and technology investment that drives genuine service improvement.

B. The Commission Should Rely on Existing Market Incentives to Ensure Quality of Service

Member companies already face powerful, competitive and reputational incentives to maintain effective and consumer-friendly customer service operations. In highly competitive markets, poor call center performance produces immediate and measurable business consequences. Consumers who experience inadequate customer service can switch providers, publicly share negative experiences digital platforms, and materially influence broader brand perception at scale. The competitive pressure this creates gives companies strong incentives to prioritize timely and effective issue resolution, preserve customer loyalty, reduce churn and continuously improve service quality in response to evolving consumer expectations and market competition.

These market dynamics already discipline poor customer service performance more effectively than prescriptive regulation could. Companies that fail to deliver effective support experiences suffer reputational harm, customer attrition, and competitive disadvantage. Those that invest in high-quality customer service operations, including through global workforce models, advanced technologies, and specialized training programs, gain meaningful competitive advantages that further reinforce market discipline. Imposing rigid structural mandates on top of these existing incentives would not only be unnecessary, but it would risk disrupting the very

market-driven innovations already improving consumer outcomes. The Commission's role should be to address demonstrated, specific harms through targeted measures, not to prescribe more regulatory requirements where competitive forces are already working.

IV. THE COMMISSION SHOULD NOT ADOPT PRESCRIPTIVE ONSHORING OR LOCATION-BASED REQUIREMENTS

The Commission should reject its proposals to mandate that customer service operations be located domestically or subject to prescriptive location-based requirements.[54] Such mandates would override legitimate, market-driven operational decisions without a demonstrated causal connection between call center location and service quality, which is the very outcome the Commission seeks to advance.

As member companies report, customer service quality depends principally on workforce stability, training depth, operational management, and support infrastructure, and these factors are present or absent regardless of geography. The *Notice's* implicit premise that domestic location is a reliable proxy for service quality is not supported by the record. Member companies have found that offshore operations frequently meet or exceed the service quality benchmarks of domestic alternatives, demonstrating that quality is a function of management and investment rather than location.

Mandatory onshoring could impose substantial economic harms on U.S. companies, with disproportionate impact on smaller operators, without producing commensurate consumer benefit. Transitioning call center operations at the scale contemplated in the *Notice* could require companies to build or expand domestic facilities, restructure workforce models, and redesign customer support operations from the ground up, an undertaking that would take years to

[54] Notice at para. 25.

implement and cost millions of dollars. Those costs would ultimately be passed through to consumers in the form of higher prices and reduced service options, and they would fall hardest on smaller providers that lack the capital reserves to absorb large-scale operational restructuring. The cost burden is further compounded by a workforce supply problem: domestic call centers already experience annual attrition rates of 30 to 45 percent,[55] and a regulatory mandate to rapidly scale U.S.-based operations would intensify competition for a labor pool that is already constrained. Forced onshoring would therefore increase costs and operational disruption while failing to address the workforce management and operational factors that actually determine service quality.

The Commission must also weigh the broader competitive consequences of onshoring mandates. For companies operating in global markets, mandatory domestic staffing requirements would create a structural disadvantage relative to foreign competitors not subject to equivalent restrictions, reducing operational flexibility and weakening the international competitiveness of U.S. communications providers. The Commission is obligated to weigh these economic and competitive harms against any projected consumer benefit, and that obligation is not satisfied by the record. Where the causal connection between the proposed remedy of restricting call center location and the projected outcome of improved service quality is not established by the record, the balance clearly favors regulatory restraint over prescriptive intervention.

V. THE COMMISSION SHOULD NOT REQUIRE MANDATORY DISCLOSURES OR CALL TRANSFERS THAT COULD HARM CONSUMERS AND COMMERCIAL FLEXIBILITY

[55] *Call Center Turnover Rates: 2026 Industry Average*, Insignia Recourses (Apr. 22, 2026) https://www.insigniaresource.com/research/call-center-turnover-rates/.

The Commission should reject the *Notice's* proposal to require providers to inform customers at the beginning of each call that it is being handled outside of the US, upon consumer request, to transfer calls to a call center located within the US.[56] Mandatory disclosure and transfer requirements may significantly increase wait times, lead to unnecessary call transfers, and reduce the overall efficiency of customer service operations, outcomes opposite to the intentions of this *Notice*.[57] In many instances, offshore representatives may be the most experienced or best-equipped individuals available to resolve a customer's issue. Requiring transfers based solely on geographic location could unnecessarily interrupt support interactions, lengthen resolution times, and frustrate consumers seeking quick and effective assistance. These requirements may also reduce providers' ability to efficiently route calls to the most qualified representatives, undermining operational flexibility and customer experience.

Notably, the communications industry is already moving in this direction through voluntary market-driven practices. Companies across the sector have increasingly adopted AI disclosure practices in customer interactions, driven by competitive incentives, evolving state-level requirements, and a demonstrated consumer preference for transparency. Rather than imposing prescriptive requirements, the Commission should consider establishing a voluntary disclosure framework or safe harbor that encourages companies to adopt and maintain AI transparency practices consistent with their service models and consumer needs. This approach would advance the Commission's consumer protection goals while preserving the operational

[56] Notice at paras. 38- 41.

[57] *Id*. at para 41 (The Commission proposes to require providers to ensure that consumers are transferred promptly following a transfer request and to ensure that wait times for transferred calls are no longer than those for calls that in the first instance are routed to a call center located within the United States).

flexibility that allows companies to deliver effective, innovative customer service. The Commission should avoid extending any disclosure requirements to broad location-based mandates or transfer requirements, which are unlikely to improve customer satisfaction and may instead degrade the overall consumer experience.

VI. THE COMMISSION SHOULD NOT ADOPT CAPS ON OFFSHORE CALL CENTER VOLUME

The economic and competitive harms detailed in Section IV apply equally to volume-based caps on offshore call center usage, and in some respects, caps would be more immediately disruptive than a general onshoring mandate. Unlike a broad location requirement, percentage caps on offshore volume would interfere directly with providers' ability to structure customer support functions according to operational need, imposing a layer of ongoing compliance obligation on top of the same underlying economic harms. The Commission should therefore also reject proposals to impose fixed percentage caps on the share of calls handled at offshore locations.

Providers must retain the discretion to allocate workforce functions in the manner that best serves their customers and operational needs, because different customer service functions require materially different staffing models, skillsets, and operational structures. Technical support operations typically require specialized troubleshooting expertise and longer call durations, while sales and account management functions may demand different communication approaches and customer engagement strategies. Given the international scope of many communications providers, these functions are often most effectively served through a hybrid model in which certain specialties are staffed domestically and others offshore. Imposing rigid percentage caps would override these operational judgments and reduce providers' ability to structure customer support in ways that maximize both efficiency and consumer satisfaction.

Beyond the operational interference, volume caps would reproduce the structural economic harms of onshoring mandates while adding burdens of their own. The United States currently lacks sufficient domestic call center capacity to absorb large-scale shifts in customer service volume at the pace any meaningful cap would require, and each incremental percentage of calls redirected to domestic operations would impose additional infrastructure costs, workforce recruitment burdens, and operational disruptions that would ultimately be passed through to consumers. These pressures would be compounded by the structural constraints of the domestic call center labor market detailed above, including persistently high turnover rates, limited workforce availability, and the practical impossibility of rapidly scaling U.S.-based operations to meet a regulatory deadline. For smaller providers, the harm would be qualitatively different as well as greater in magnitude because smaller companies often rely on a single offshore partner and cannot redistribute call volume across multiple locations to achieve cap compliance without fundamentally restructuring their service operations. Volume-based caps would therefore not only fail to improve consumer outcomes but would actively undermine the competitive market conditions that drive the service quality improvements the Commission seeks to advance.

VII. THE COMMISSION SHOULD RELY ON EXISTING DATA SECURITY FRAMEWORKS RATHER THAN IMPOSING LOCATION-BASED RESTRICTIONS

A. Federal and State Law Already Impose Extensive Compliance and Data Privacy Frameworks

The Commission seeks comment on several proposals to protect consumer information.[58] Customer data privacy and security are already governed by extensive federal, state, and

[58] Notice at paras. 51-56.

industry-specific compliance frameworks. Communications providers and their vendors operate within a complex regulatory environment that imposes significant obligations relating to the protection of sensitive customer information, payment data, and network security. Existing compliance frameworks already provide robust protections for consumer data. For example, providers and vendors handling payment information are subject to the Payment Card Industry Data Security Standard ("PCI-DSS"), which imposes detailed requirements governing payment card processing, data storage, access controls, network monitoring, and cybersecurity protections. Communications providers are also subject to CPNI rules, which restrict the use, disclosure, and protection of sensitive customer information.[59] In addition, providers must comply with a growing number of state privacy laws that impose requirements relating to data security, consumer privacy rights, breach notification, and information governance. Additional restrictions are unnecessary to achieve the Commission's stated privacy and security objectives.

Beyond regulatory obligations, enterprise providers and customer service vendors face substantial market-based incentives to maintain strong privacy and security protections. Enterprise customers routinely demand robust contractual security commitments, audit rights, cybersecurity standards, and incident response procedures as conditions of doing business. Companies that fail to adequately protect customer information face reputational harm, loss of customer trust, contractual liability, and competitive disadvantage. These strong legal, commercial, and reputational incentives already encourage providers and vendors to implement comprehensive data security programs regardless of where customer service representatives are physically located.

[59] 47 U.S.C. § 222.

B. Despite the *Notice's* Claims, Offshore Vendors Often Implement Equivalent or Stronger Physical and Digital Security Controls Than Their Onshore Counterparts

Member companies' experiences confirm that offshore customer service vendors frequently implement physical and digital security protections that are equivalent to, or in many cases stronger than, those used by domestic operation. Leading offshore call center operations, particularly in major markets such as the Philippines, maintain ISO 27001 certification for information security management systems and comply with industry-specific regulations including HIPAA, PCI-DSS, and SOX, depending on client requirements.[60] These facilities implement robust security protocols including biometric access controls, camera surveillance, and strict clean desk policies prohibiting personal electronic devices in production areas.[61] Offshore facilities also commonly require badge-only access controls, employ on-site security personnel, utilize monitored workstations, and maintain firewalled internet environments that restrict unauthorized access to systems and customer data. These security measures are standard features of these operations, aggressively enforced and continuously monitored as part of broader compliance and contractual obligations.

C. The Commission Should Adopt Targeted Approaches to National Security Risks

Members take data security seriously and are acutely aware of the cybersecurity risks and geopolitical considerations associated with where customer service operations are located. In practice, members have made deliberate decisions to avoid jurisdictions that present heightened national security concerns. The Commission's existing definition of "foreign adversary," drawn

[60] *See Philippines Call Centre Outsourcing in* 2025, Callin.io, https://callin.io/philippines-call-centre-outsourcing-2/ (last visited June 2, 2026).

[61] *Id.*

from 15 CFR § 791.2 and § 791.4, provides a workable and administrable foundation for this proceeding. Rather than imposing broad, location-based restrictions that would sweep in legitimate commercial operations in allied and low-risk markets, the Commission should rely on that established framework and publish a clear, regularly updated list of countries it considers foreign adversaries for purposes of call center siting. That approach would give providers the certainty needed to structure compliant operations while directly targeting the national security concerns the Commission has identified.

On the question of data protection standards, the Commission should proceed carefully. A general standard such as "data security laws and practices at least as strong as the United States" is too vague to be administrable and would create significant compliance uncertainty, particularly for providers operating across multiple jurisdictions with differing legal frameworks. If the Commission determines that affirmative data protection standards are warranted, it should ground those standards in specific, measurable requirements rather than comparative legal assessments that may be difficult to apply consistently. Existing consent decrees and established frameworks such as NIST cybersecurity standards or FTC data security precedent could offer a more concrete and defensible model. The Commission should also seek detailed input from providers on the data protection measures currently in use before prescribing new requirements, as existing industry practice may already reflect an appropriate baseline that could inform a required standard without imposing redundant or conflicting obligations.

Broad restrictions based solely on the offshore nature of call center operations, rather than on identified security risks tied to specific jurisdictions, would not meaningfully improve consumer data security. Such restrictions would instead impose substantial operational and economic costs on providers that have made responsible, good-faith siting decisions, without

producing commensurate benefits. The Commission's actions in this space should be targeted, evidence-based, and calibrated to the actual risks presented by specific foreign jurisdictions rather than offshore operations generally.

VIII. THE COMMISSION SHOULD ADDRESS FRAUD AND ROBOCALL CONCERNS THROUGH TARGETED NETWORK-LEVEL MEASURES

INCOMPAS and CCA members share the Commission's deep concern about illegal robocalls originating from outside the United States and the serious financial harm they inflict on American consumers.[62] Voice service providers have invested substantially in combatting these calls through STIR/SHAKEN implementation, Robocall Mitigation Database ("RMD") filings, Know Your Customer and Upstream Provider measures, and active cooperation with traceback investigations. Members share the Commission's consumer protection goals and are committed partners in this effort.

The Commission's *Notice* seeks comment on two mechanisms intended to "take the profit out of" illegal foreign-originated calls: government-imposed fees on unlawful traffic and bond requirements for voice service providers.[63] Both proposals, however, suffer from fundamental legal, technical, and practical challenges that render them unworkable. Most critically, neither mechanism would meaningfully burden the foreign bad actors who originate these illegal calls. Instead, both would impose severe and unjustified costs on compliant domestic providers that are already doing their part to combat illegal robocalls, while leaving foreign fraud enterprises entirely unaffected. Consequently, the Commission should abandon both proposals and instead pursue targeted enforcement mechanisms that actually reach the sources of unlawful calls.

A. The Fee-Based Approach Is Unworkable and Counterproductive

[62] Notice para. 68.

[63] *Id*.

i. "Unlawful" Calls Cannot Be Reliably Identified in Real Time

The threshold defect of any fee-based approach is that no workable mechanism currently exists to identify "unlawful" calls at the point of transmission. Determining whether a particular call is unlawful requires a post-hoc legal and factual analysis that is impossible to perform in the fraction of a second before a call is connected. Voice service providers operating as transit or terminating carriers have no visibility into the intent of a call's originator, the consent relationships between the caller and called party, or the legal status of the calling entity under applicable law.[64] A call carrying a spoofed number is technically indistinguishable from one carrying a legitimate number. A call from a foreign telemarketer that is lawful under its home country's law may be unlawful under the TCPA, but a transit carrier has no means to make that determination in real time.

Any fee regime built on this unresolvable identification problem will be arbitrary in application and legally vulnerable to challenge. Imposing fees on providers for transmitting calls that are later deemed unlawful, when those providers had no ability to make that legal determination at the time of transmission, also raises serious due process and fair notice concerns. The Commission cannot predicate a financial penalty regime on a classification that it has no mechanism to make.

ii. Fee Collection Mechanisms Are Undefined and Likely Unenforceable Against Foreign Actors

[64] *See* Notice para. 69 ("[H]ow would unlawful calls subject to a fee be identified, and how would the fee be collected?"). The Commission poses this as an open question but offers no proposed answer, confirming that no workable identification mechanism currently exists.

Similarly, the *Notice* provides limited answers into how fees for "unlawful calls" would be collected.[65] The reason is that the answer is jurisdictionally unavailable: the entities most responsible for unlawful foreign-originated calls—foreign scammers, fraudulent overseas call centers, and the foreign originating carriers that knowingly carry their traffic—are beyond the Commission's jurisdictional reach. They cannot be compelled to register with the FCC, file in the RMD, or pay any fee the Commission might impose.

If foreign actors cannot be reached, fee liability would necessarily fall on domestic intermediate and terminating carriers that receive international traffic at network borders and carry it toward its destination. These providers had no role in originating unlawful calls and limited means of identifying them. Holding them financially liable for the conduct of foreign fraudsters they did not control and cannot identify creates a system in which compliant American carriers effectively subsidize the costs of foreign bad actors' illegal conduct—a result that is both unjust and counterproductive to the Commission's stated consumer protection goals.

B. The Bond Requirement Would Be Administratively Unmanageable

i. The Bond Mechanism Raises Constitutional Due Process Concerns

While significant questions remain about how a fee-based approach may work, the Commission's proposed bond mechanism raises profound constitutional due process concerns.[66] Drawing on a provider's bond based solely on consumer reports, without adjudication, without a

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[65] *See* Notice para. 69 (seeking comment on "how would the fees be collected . . . [and] calculated" and "what amount would be effective" but providing no proposed collection mechanism or jurisdictional basis for compelling payment from foreign originating carriers).

[66] *See* Notice para. 72 ("How can we ensure that the bond draw-down is consistent with constitutional due process and the requirements of the Act?"); U.S. Const. amend. V; *Mathews v. Eldridge*, 424 U.S. 319, 333 (1976) (due process requires notice and a meaningful opportunity to be heard before the government deprives a person of a protected property interest).

finding of provider fault, and without an opportunity to be heard, would deprive providers of property in violation of the Fifth Amendment. The proposal contemplates bond draws triggered by reports to multiple agencies, including the FCC, the FTC, and state Attorneys General, with no unified evidentiary standard, no allocation of the burden of proof, and no clear dispute resolution mechanism.[67] This multi-agency, multi-trigger structure virtually guarantees inconsistent and arbitrary outcomes. A provider could face simultaneous bond draws from multiple jurisdictions based on conflicting standards, with no mechanism to prevent duplicative liability or obtain a definitive resolution.

The Commission itself acknowledges the system "might be prone to overuse" by consumers filing fraudulent reports.[68] This is not a fundamental concern for providers, however, the proposed safeguards against this abuse are entirely undefined. The *Notice* asks what safeguards should exist but proposes no framework, leaving the most basic due process protections for affected providers unaddressed.[69]

Smaller and competitive carriers face particular risk under this proposal. A CLEC or competitive VoIP provider operating on thin margins could face financially ruinous bond draws

[67] *See* Notice paras. 72–73 (contemplating bond draws triggered by reports filed with the Commission, the Federal Trade Commission, and state Attorneys General, with no unified evidentiary standard, no allocation of the burden of proof, and no defined dispute resolution process).

[68] *See* Notice para. 73 ("Such a system might be prone to overuse, such as by aggrieved consumers who abuse the system by making numerous fraudulent reports in order to cause financial harm to their provider.").

[69] *See* Notice para. 73 ("[A]re safeguards from overuse needed? If so, what should the safeguards entail? Should providers be permitted to dispute draws? Who would hear those disputes and what evidence would be required? Who bears the burden of proof in such disputes?"). INCOMPAS posits that the failure to propose any safeguard framework demonstrates the proposal's administrative unworkability.

based on bad-faith or mistaken consumer reports with no meaningful opportunity for recourse before the draw occurs. The asymmetry between the immediate financial impact of a bond draw and the slow pace of any subsequent dispute resolution process makes this mechanism especially dangerous for smaller market participants.

Device-based real-time reporting, raised in paragraph 72 of the *Notice*, would further compound these risks as it is particularly susceptible to abuse and error.[70] There is no described chain of custody, no verification mechanism for whether a reported call was in fact unlawful, and no technical standard for what constitutes a reportable unlawful call at the device level. Legitimate business calls, calls involving consent disputes, and calls generated by bad actors exploiting providers' networks without authorization could all generate device-based reports triggering automatic bond draws.

ii. Provider Identification Is Unresolvable in Multi-Hop Call Chains

The Commission's questions about which provider would be responsible for a bond draw reveals a fundamental structural problem with this approach.[71] Modern voice calls, particularly those with foreign origination, routinely traverse multiple intermediate carriers between the point of origination and domestic termination. Attributing responsibility to any single provider in that multi-hop chain is both technically and legally fraught. A foreign-originated unlawful robocall may transit a foreign originating carrier, one or more foreign

[70] *See* Notice para. 72 ("[S]hould consumers instead be able to report unlawful calls directly from their device during the call and could those reports be used to trigger a bond draw down?"). Device-based reporting presents particular risks of abuse and error because it provides no chain of custody, no verification of the call's legal status, and no mechanism to distinguish unlawful calls from unwanted but lawful calls.

[71] *See* Notice para. 73 ("Which provider's bond would be drawn upon and how could that particular provider be identified, especially if a provider other than the terminating provider were deemed the one to pay?").

intermediate carriers, an international gateway provider, one or more domestic transit carriers, and finally a domestic terminating carrier before reaching the called party. None of the intermediate domestic providers necessarily has any knowledge that the call is unlawful, any relationship with the foreign originator, or any ability to screen the call for legal compliance.

Terminating providers have the most direct relationship with the called consumer but typically have the least ability to screen or block unlawful foreign-originated calls, because they lack upstream visibility into call origins. The Commission's suggestion that terminating providers might seek bond draws from upstream gateway or intermediate providers[72] would set off cascading cross-provider disputes. Penalizing terminating providers for conduct they cannot control or prevent is fundamentally unjust, and the administrative apparatus required to apportion liability across multi-hop call chains does not exist.

iii. The Bond Requirement Punishes Compliant Providers, Not Bad Actors

The foreign fraud enterprises that originate illegal robocalls at scale are currently beyond the reach of a domestic bond requirement. A bond requirement imposed on domestic providers will not make these actors' calls more expensive, will not reduce the volume of unlawful calls entering U.S. networks, and will not compensate harmed consumers. The providers who would be required to post bonds are legitimate, regulated U.S. carriers—the same companies already complying with STIR/SHAKEN obligations, maintaining current RMD certifications, and responding to traceback requests. Bond premiums, capital set-asides, and administrative compliance costs will either be passed to consumers or will threaten the financial viability of

[72] *See* Notice para. 72 (discussing whether terminating providers would "seek the bond draw from the ultimate gateway provider or intermediate providers directly"); *see also id.* at para. 73 ("[W]ho would hear those disputes and what evidence would be required?").

smaller CLECs and VoIP providers already operating on thin margins. This outcome would reduce competition in the voice market without meaningfully deterring the foreign bad actors who are the actual source of the problem.

The bond mechanism would also create powerful incentives for domestic providers to over-block calls to minimize their exposure to drawdowns. The Commission has previously recognized that call blocking is "a serious and complicated action that must be precisely and judiciously applied to avoid blocking lawful traffic," and that robocall mitigation does not require perfection.[73] A bond mechanism that imposes financial penalties each time an unlawful call reaches a consumer, regardless of whether the provider took reasonable mitigation steps, inverts that framework, creating incentives for aggressive over-blocking that will cause significant false positive harm to lawful callers and legitimate call centers.

C. The Commission Should Reject Bond-Based Requirements for Legitimate Call Centers

To the extent the Commission considers applying bond or fee requirements to voice service providers that carry traffic associated with offshore call centers, those proposals conflate two entirely distinct problems. Lawful offshore call centers operated by or on behalf of FCC-regulated companies do not typically originate illegal robocalls. They are primarily *receiving* inbound calls from domestic consumers. Imposing bond or fee requirements on providers carrying traffic for these centers would burden entirely legitimate operations without any corresponding reduction in illegal robocall traffic.

[73] *Advanced Methods to Combat Unlawful Robocalls*, CG Docket No. 17-59, Report and Order, 37 FCC Rcd 6865, 6897, para. 73 (2022) (2022 Gateway Provider Order).

Any requirement of this kind should expressly exclude call center operators who certify that their facilities are not engaged in originating outbound calls into U.S. consumer networks. Companies operating legitimate call centers are already deterred from making illegal robocalls by the substantial civil and regulatory liability that attaches to TCPA violations.[74] Additional bond or fee requirements layered on top of existing liability frameworks would impose compliance costs without providing additional deterrence for conduct that legitimate operators are already strongly motivated to avoid.

The *Notice* raises important concerns about fraud and the role of foreign actors in exploiting call center infrastructure.[75] INCOMPAS and CCA agree these risks warrant serious attention. However, restrictions based on agent location or increases in the cost of international call routing are unlikely to deter fraudulent actors, who frequently rely on illicit or compromised network access rather than legitimate commercial call center relationships. These actors will adapt to circumvent location-based or cost-based restrictions, while legitimate call center operators bear the full burden of compliance. The Commission should instead focus on network-level enforcement: enhanced monitoring and enforcement obligations at the interconnection points where foreign traffic enters U.S. networks, targeted at the illicit traffic sources that are the actual origin of the fraud problem. This approach would address the Commission's legitimate

[74] Industry Traceback Group, *Traceback Resources*, https://tracebacks.org/resources (last visited May 2026); Sixth Caller ID Authentication Order, 38 FCC Rcd at 2573 (requiring all domestic voice service providers to respond to traceback requests within 24 hours); Gateway Provider Order, 37 FCC Rcd at 6865, para. 1 (describing traceback as a "critical tool" for identifying the sources of illegal robocall campaigns).

[75] Notice para. 74 ("[S]hould bonds be viewed as a type of 'forfeiture penalty' or 'forfeiture' under the Communications Act, and if so, do sections 503 or 504 of the Act mandate certain procedural requirements prior to the Commission collecting on a bond in certain circumstances?"). The Commission's inability to answer this threshold legal question underscores why the bond mechanism is not ready for adoption.

concerns while sparing lawful offshore call center operations from regulatory burdens that do nothing to solve the problem the Commission has identified.

D. Alternative Approaches

Rather than the fee-based or bond-based approaches described in the *Notice*, the Commission should pursue targeted enforcement and technical solutions that reach the sources of unlawful foreign-originated calls. Our members stand ready to support these efforts. The Commission should consider the following approaches:

- **Expand International Traceback Cooperation and Cross-Border Call Authentication.** As INCOMPAS has argued in the Rich Call Data proceeding,[76] the most effective long-term deterrent to illegal foreign-originated calls is establishing international frameworks for call authentication and traceback through bilateral agreements and engagement with foreign telecommunications regulators. The Commission should actively pursue these frameworks, which would address the root cause of the problem in a way that domestic bond or fee requirements cannot.
- **Enhance Direct Enforcement Against Bad Actors Using Existing Forfeiture Authority.** The Commission has substantial authority under Sections 503 and 504 of the Communications Act to impose forfeitures on providers that knowingly transmit or facilitate illegal robocalls. Rather than adopting new regulatory requirements, the Commission should deploy this existing authority more aggressively against the domestic actors, including certain gateway providers and wholesale transit carriers, that knowingly

[76] Comments of INCOMPAS, CG Docket No. 17-59 (filed Jan. 5, 2026) ("INCOMPAS Rich Call Data Comments") (supporting international call authentication standards and cross-border traceback frameworks as the most effective mechanisms for combatting foreign-originated illegal robocalls).

or recklessly handle fraudulent foreign traffic, imposing systemic costs on compliant providers rather than on the bad actors themselves.

- **Improve STIR/SHAKEN Authentication at International Gateway Points.** STIR/SHAKEN has significantly improved call authentication for domestic traffic, but its effectiveness is substantially undermined at the international boundary, where foreign calls enter U.S. networks without attestation or with degraded authentication information.[77] The Commission should work with industry and standards bodies to develop authentication requirements that give terminating providers better information about the provenance of foreign-originated calls, enabling more accurate and less burdensome screening without requiring real-time legal determinations by carriers.
- **Support Industry-Led Call Analytics Solutions.** Members and the broader industry have developed sophisticated call analytics tools capable of identifying suspicious traffic patterns such as unusually high call volumes from specific foreign origination points, calls using spoofed or unallocated numbers, or calls exhibiting characteristics associated with known robocall campaigns in a non-discriminatory manner and without requiring real-time legal determinations about individual calls. The Commission should encourage these industry-led solutions as a complement to regulatory action, consistent with its established framework of flexible, provider-implemented robocall mitigation.

These targeted approaches would achieve the Commission's consumer protection objectives more effectively than fees or bonds without the constitutional infirmities, administrative unmanageability, and competitive harms that make the proposed fee and bond mechanisms untenable.

IX. CURRENT MARKET DRIVEN CALL CENTER PRACTICES MAKE THE COMMISSION'S PROPOSED REPORTING AND ENGLISH PROFICIENCY REQUIREMENTS UNNECESSARY

A. The Commission Should Limit Reporting Burdens

The *Notice* seeks comment on the Commission's proposal to require providers to track and report their compliance with any rules adopted as a result of this proceeding.[78] To the extent the Commission determines that reporting requirements are necessary, any such obligations should be narrowly tailored, focused on meaningful operational metrics, and designed to avoid duplicative or excessive compliance burdens. Providers already track a wide range of customer service performance indicators as part of ordinary business operations and use those metrics to monitor customer experience, staffing efficiency, and overall call center performance. The Commission should therefore avoid imposing reporting frameworks that require providers to create entirely new compliance systems or generate data that is not operationally useful.

The Commission also asks whether such reporting should occur monthly, quarterly, or annually.[79] Several member companies have indicated that, if the FCC adopts reporting requirements, annual reporting would be more than sufficient to provide the Commission with meaningful visibility into operational performance while minimizing unnecessary administrative burdens. Monthly reporting obligations, by contrast, would likely create substantial compliance costs while providing limited additional regulatory value.

Members currently monitor numerous operational metrics, including service level, inbound and outbound call volume, average handle time, hold time, wait time, and transfer rates. These metrics are widely recognized throughout the customer service industry as key indicators of

[78] Notice para. 46.

[79] Notice para. 47.

operational effectiveness and customer satisfaction. In particular, service level (commonly measured as the percentage of calls answered within a specified timeframe) is often viewed as the primary indicator of a call center's responsiveness and ability to remain available to customers. When analyzed alongside metrics such as average handle time, hold time, and the percentage of calls transferred, companies can evaluate whether customers are receiving timely and effective assistance. These metrics already provide meaningful insight into customer experience and operational performance without requiring the Commission to impose unnecessarily burdensome reporting frameworks.

B. The Commission Should Continue its Work Streamlining Broadband Labels

The Commission seeks comment on whether it should require providers subject to broadband label requirements to display in the labels the percentage of customer service calls handled by a call representative located within the United States.[80] The Commission should reject this proposal and instead continue its ongoing efforts to streamline broadband label requirements. In recent proceedings, the Commission has appropriately recognized the importance of reducing unnecessary reporting and disclosure burdens associated with broadband labels to preserve the usefulness and clarity of the labels for consumers while minimizing administrative burdens on providers.[81] The Commission should maintain that same approach in this proceeding.

Specifically, the Commission should reject the proposal to require providers subject to the broadband label requirements to disclose the percentage of customer service calls handled by

[80] Notice para. 57.

[81] *See* Empowering Broadband Consumers Through Transparency*, Second Further Notice of Proposed Rulemaking*, CG Docket No. 22-2, GN Docket No. 25-133, FCC 25-74 (rel. Nov. 3, 2025) (seeking comment on eliminating certain broadband label requirements to reduce compliance burdens while preserving consumer benefits).

representatives located within the United States. Such information would provide limited practical value to consumers evaluating broadband service offerings and risks cluttering labels with information unrelated to core service characteristics such as pricing, speeds, data allowances, and network performance. Moreover, as discussed throughout these comments, the location of a customer service representative is not itself a reliable indicator of customer satisfaction or service quality. Requiring providers to disclose call center location metrics in broadband labels could therefore, mislead consumers into assuming that domestic call handling necessarily results in superior customer experiences, despite the lack of evidence supporting that conclusion. The Commission should instead preserve broadband labels as concise and consumer-friendly disclosures focused on information most relevant to purchasing decisions and service comparisons.

C. The Commission Should Not Adopt English Proficiency Standards

In the *Notice*, the Commission proposes to require providers to ensure all calling staff at call centers are proficient in both written and spoken American Standard English.[82] This regulatory intervention is unnecessary because offshore vendors already implement extensive quality-control and workforce development practices designed to meet consumer expectations and maintain high service standards. Many offshore call centers enforce English proficiency requirements, including standards aligned with the Common European Framework of Reference for Languages ("CEFR") B2 level. They also provide cultural training tailored specifically to U.S. customers and market expectations. These programs equip representatives with product knowledge, conversational norms, and contextual familiarity that meaningfully improve the customer experience. Representatives may, for example, be encouraged to learn about American

[82] Notice paras. 25-30.

football teams or participate in office activities centered around events such as March Madness in order to better connect with U.S. consumers during customer interactions.

Member companies already implement these practices as part of their broader customer experience strategies. These companies compete aggressively on service quality and customer satisfaction and routinely invest in workforce development, and operational improvements without regulatory mandates compelling them to do so. The existence of these market-driven standards demonstrates that additional prescriptive FCC requirements would not produce consumer benefits beyond what the market is already delivering, while imposing prescriptive requirements that could disrupt operational models that are working well. A more appropriate approach would be to monitor consumer complaints and act only on evidence of system harm rather than mandating specific workforce characteristics that providers are already addressing through competitive incentives.

X. CONCLUSION

For the reasons stated herein, INCOMPAS and CCA urge the Commission to consider the recommendations in the above comments.

Respectfully submitted,

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