

On September 20th, 2017, the Professional Association for Customer Engagement (PACE) spearheaded a cross-industry coalition of stakeholders with a common interest in mitigating the harm caused by blocking and mislabeling of legal calls. The meeting was attended by carriers, analytics companies, PACE members, industry associations, and federal regulators.

A copy of the agenda, attendees, and material presented is attached to these meeting minutes.

The initial meeting was focused on developing an initial understanding of current blocking and labeling activities. The meeting progressed as follows:

8:30-8:45am – **Introduction** – Stuart Discount, Chairman of PACE
PACE and Karl Koster, PACE Task Force Leader

Mr. Discount welcomed attendees and provided an overview of the significant harm caused to PACE members as a result of blocking and mislabeling legal calls. He also discussed the harm to consumer who do not receive important and wanted calls from companies with which they do business or are otherwise involved. The purpose of the PACE Call Protection Coalition (CPC) is to initiate a dialogue with all parties involved and affected, to explore avenues of mutual interest and to promote awareness of call blocking and labeling issues.

An anti-trust statement was provided.

Mr. Koster stressed that no policy advocacy should be permitted during the meeting. He reviewed the FCC 2015 order and made additional comment on providing consumer protection while mitigating the negative impact on lawful call originators.

8:45-9:00am - **Kick-off**

Rebekah Johnson, CEO of Gloria-Mac/Coalition leader

Rebekah thanked all parties for their attendance, outlined the flow of the meeting, and clearly stated the objectives of the day. Rebekah made it clear all parties were to have an open mind and seek clarifications on assumptions during the presentations from USTelecom (carrier representative) and FirstOrion (analytics company) and Gloria-Mac (call originators).

9:00-9:30 – **Carrier Perspective**

Presented by: Kevin Rupey, Vice President, Law & Policy, USTelecom
Reference provided slides for presentation

Kevin indicated the carriers and other parties who have been focused on blocking illegal and unwanted calls have focused on this initiative for the last 5 years. One of the main hurdles identified in fighting this battle, is the current state of the calling network. While technology advancements such as gateways for internet traffic, SIP and inclusion of CLEC's have created a competitive market, it has also opened the network making it vulnerable for exploitation by fraudulent actors. As a result, since 2003, the number

of Do Not Call complaints has risen exponentially. It is estimated 1 in 4 households are impacted by phone scams causing a scourge of over \$7.4B per year in harm. Both the FCC and FTC has made the elimination of robocalls an urgent initiative. As a result of the accelerated efforts under the FCC's Robocall Strike Force, SHAKEN (Signature based Handling of Asserted Information Using toKENs) / STIR (Secure Telephone Identity Revisited) has been supported by the carriers. Both use digital certificates to verify and authenticate a calling number. This framework provides verification information as to whether the calling party number is spoofed in an authorized or unauthorized manner, but does not determine whether the call is legal or illegal. Kevin believes "legal spoofing" aka outpulsing local numbers for which their use is authorized, would be properly authenticated, but was not able to provide details of how it will work.

Follow-up for coalition:

1. Obtain details around the inter-workings of SHAKEN/STIR and what this means to call originators.
2. Obtain list of target commitments and dates, if possible, for carrier deployment. (AT&T has committed to launching SHAKEN by the end of 2017)

9:30-10:00 – **Analytics Perspective**

Jennifer Glasgow, EVP of Policy and Compliance, FirstOrion

Reference provided slides for presentation

Jennifer Glasgow from FirstOrion started the presentation off by indicating her presentation was representative of FirstOrion and not necessarily that of other analytics companies such as HIYA and Cequent. Each analytic company has developed its own rating process and algorithm. First Orion is the largest supplier of call complaint data to the Federal Trade Commission and has extensive data analytics on billion of events with over 20 million app installs, which is anticipated to increase 3x in 2017. FirstOrion's vision and focus of efforts is around empowering consumer choice which is achieved by maximizing call transparency to the called recipient by providing: 1) privacy, protection and preference 2) maximizing transparency and 3) "Safe to Call" and "Safe to Answer". FirstOrion aims to tell the called party who is calling and why. It seeks to identify "scammers" and "nuisance callers" based on its proprietary algorithm.

While FirstOrion's initial focus was on the consumer and will continue to be a focus, Jennifer acknowledged the challenges facing call originators arising from call blocking and labeling. As a result on September 15, 2017, FirstOrion went live with its proof of concept "POC", calltransparency.com. It still in the experimental stages.

FirstOrion's real-time scoring algorithm powers the T-Mobile Scam ID service embedded in 37 million handsets. The algorithm consists of a three step process with each step gathering and aggregating data to determine a score from 0 (unobtrusive or unknown) to 5 (Scam Likely). Scores are recalculated every (n) minutes. Jennifer mentioned FirstOrion is continuously improving the recalculation timeframe but can see this occurring every 6-10 minutes. App users are able to block a specific caller, file a complaint with the FTC and/or add the caller to an approved list after each call.

FirstOrion monitors how many numbers are labeled 1-5. A low volume of call originating numbers were labeled Scam Likely. Several CPC participants identified concerns and asked questions regarding the

scoring process and statistics around the real-time scoring algorithm. Jennifer mentioned this is an evolving process and there are still unknowns. The algorithm is not 100% correct. Additional conversations and feedback ensued postulating call originators are experiencing the rate reduction due to the implementation of algorithms across the ecosystem. As a group, more clarity and information sharing is essential to properly quantify the problem.

AT&T asked for specific numbers around impact. Call originators are willing to share but in order to do so, data sharing is required from the carriers/analytics.

Follow-up for coalition:

1. Several questions regarding the statistics driving the nuisance scores was raised by CPC participants. In general, the following questions need to be answered:
 - a. What is the average time frame for a number to be labeled or blocked?
 - b. How can call originators remove an improper label or ensure legal calls are completed by carriers.
2. In order to quantify the issue at hand, call originators, analytics companies and carriers need to come to an agreement on some form of data sharing.

10:00-10:30 - **Call Originator Impact**

Rebekah Johnson, CEO, Gloria-Mac

Reference provided slides for presentation

Rebekah Johnson presented real examples of call labeling that is occurring today. Rebekah's examples were real-life examples of calls she's received from entities with whom she has an established business relationship and proper consent to be called. The following depicts the examples presented:

"Telemarketing" – This label was associated with a call from her website provider. When Rebekah answered the call there was a live agent on the other line. Not only was this not a telemarketing call, but the call was for the purpose of informing her she would be automatically charged for services she signed up to receive, but has never used. During the conversation with the agent, Rebekah discontinued \$250 of recurring charges that would have been otherwise processed against her card on file.

"Nuisance Likely" – This label was associated with a call from her timeshare company. When Rebekah answered the call there was a live agent on the other line. Proper disclosures were provided and the intent of the call was to inform Rebekah that she had unused points at risk for being lost if she did not follow the process to bank her points. The call was a convenient way for the agent to do this process for her should she want versus her going online. In Rebekah's perspective, this call was not a nuisance, yet it was presented as such.

While call originators support empowering consumer choice, we clearly have a problem with determining the intent of the call. Improper labeling and blocking can have potential to harm the consumer as opposed to help the consumer. Proper labeling and blocking will help prevent harm to consumers by fraudulent callers, but this cannot happen at the expense of call originators.

During this time several CPC members provided their own accounts of contact rate reduction and consumer complaints. At the end of the conversation it was clear the call originators are at a

disadvantage at being able to know or correct improper labeling/blocking of their calls, while consumers are being empowered. A balance must be struck.

11:00-12:00 – **Best Practices**

Karl Koster, Noble Systems, PACE Board of Directors

Karl will be distributing a draft 'Best Practices' document detailing industry best practices for mitigation of robocall call processing, both from the called party's perspective and the call originator's perspective. From the call originator's perspective, information is required to inform whether a call was blocked, which service provider should be contacted to request mitigation, how to contact that particular service provider for the purpose of requesting mitigation, and then requesting mitigation of the blocking. A possible outcome from the service provider would be to 'whitelist' the number, so that it is no longer blocked.

From the called party's perspective, they should be able to identify which calls were blocked, determine the service provider's channel for requesting mitigation, and then request mitigation. A possible outcome is that the service provider may 'whitelist' the number, so that it is no longer blocked.

For call labeling actions, the call originator should have a mechanism to verify the status of a calling party number, identify the service provider's channel for receiving mitigation requests, and submitting the mitigation request. For the called party's perspective, they also require a mechanism for mitigating what they perceive to be an erroneous label associated with a particular calling party number. A possible outcome is that the service provider may alter the label associated with the number when provided to the called party.

The document will be emailed to attendees who provided their contact information in mid-October, with instructions for how attendees can suggest edits or additional sections. Such edits should be conveyed to Karl Koster, per the instructions. The document will be updated, and distributed prior to the next meeting for discussion. We anticipate 2-3 rounds to complete the document. Anyone who did not provide their contact information can contact Karl Koster (kkoster@noblesys.com) to be added to the distribution list.

Follow-up for coalition:

Review the draft of the Best Practices document when received in early October. Submit any questions/comments as you deem necessary for advancing the matter to Karl Koster.

Conclusion

The initial coalition meeting ended with consensus on the need to proceed forward with cooperation from all parties in attendance to drive toward best practices. The coalition recommended considering inviting consumer groups to participate in future meetings.

Next meeting: January 2017 in D.C. (exact day and location tbd)

Attendees

| Company Name |
|---|
| Sitel |
| NTCA |
| Ontario Systems |
| SOCAP |
| Noble Systems |
| AT&T |
| Quality Contact Solutions |
| The IA Institute |
| Triwest Communications |
| First Orion |
| MRSBPO |
| Gloria-Mac |
| Altisource |
| ADT |
| Comcast |
| National Association of Federally Insured Credit Unions |
| SiriusXM |
| CSG |
| iconectiv |
| Verizon |
| Customer Count |
| PACE |
| Start Point |
| Contact Center Compliance |
| Kelley Drye |
| Hiya |
| ARDA (American Resort Development Assoc.) |
| Highlights |
| TNS |
| ACA International |
| MacMurray Shuster |
| American Bankers Association |
| USTelecom |
| Federal Trade Commission |
| Federal Communications Commission |