



6712-01

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 64

[CG Docket No. 17-59; FCC 17-151]

Advanced Methods to Target and Eliminate Unlawful Robocalls

AGENCY: Federal Communications Commission.

ACTION: Proposed rule.

SUMMARY: In this document, the Commission invites comment on proposed changes to its rules. The Commission proposes rules regarding mechanisms to ensure that erroneously blocked calls can be unblocked as quickly as possible and without undue harm to callers and consumers. It also seeks comment on ways to measure the effectiveness of the Commission's robocalling efforts, as well as those of industry.

DATES: Comments are due on January 23, 2018. Reply Comments are due on February 22, 2018.

ADDRESSES: You may submit comments identified by CG Docket No. 17-59 and/or FCC Number 17-151, by any of the following methods:

- **Electronic Filers:** Comments may be filed electronically using the Internet by accessing the Commission's Electronic Comment Filing System (ECFS), through the Commission's Web site: <http://apps.fcc.gov/ecfs/>. Filers should follow the instructions provided on the Web site for submitting comments. For ECFS filers, in completing the transmittal screen, filers should include their full name, U.S. Postal service mailing address, and CG Docket No. 17-59.
- **Mail:** Parties who choose to file by paper must file an original and one copy of each filing. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although the Commission continues to experience delays in receiving U.S. Postal Service mail). All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

For detailed instructions for submitting comments and additional information on the rulemaking process, see the SUPPLEMENTARY INFORMATION section of this document.

FOR FURTHER INFORMATION CONTACT: Jerusha Burnett, Consumer Policy Division, Consumer and Governmental Affairs Bureau (CGB), at (202) 418- 0526, email:

Jerusha.Burnett@fcc.gov, or Karen A Schroeder, Consumer Policy Division, Consumer and Governmental Affairs Bureau (CGB), at (202) 418-0654, email: Karen.Schroeder@fcc.gov.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Further Notice of Proposed Rulemaking (*FNPRM*), document FCC 17-151, adopted on November 16, 2017, and released on November 17, 2017. The full text of document FCC 17-151 will be available for public inspection and copying via ECFS, and during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street SW, Room CY-A257, Washington, DC 20554. A copy of document FCC 17-151 and any subsequently filed documents in this matter may also be found by searching ECFS at:

<http://apps.fcc.gov/ecfs/> (insert CG Docket No. 17-59 into the Proceeding block). The *Report and Order* that was adopted concurrently with the *FNPRM* is published elsewhere in the *Federal Register*.

Pursuant to 47 CFR 1.415, 1.419, interested parties may file comments and reply comments on or before the dates indicated on the first page of this document. Comments may be filed using ECFS. See Electronic Filing of Documents in Rulemaking Proceedings, 63 FR 24121 (1998).

- All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12th Street SW, Room TW-A325, Washington, DC 20554. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building.
- Commercial Mail sent by overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.
- U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street SW, Washington, DC 20554.

Pursuant to § 1.1200 of the Commission's rules, 47 CFR 1.1200, this matter shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission's ex parte rules. Persons making oral ex parte presentations are reminded that memoranda summarizing the presentations must contain summaries of the substances of the presentations and not merely a listing of the subjects discussed. More than a one or two sentence description of the views and arguments presented is generally required. *See* 47 CFR 1.1206(b). Other rules pertaining to oral and written ex parte presentations in permit-but-disclose proceedings are set forth in § 1.1206(b) of the Commission's rules, 47 CFR 1.1206(b).

To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an email to: fcc504@fcc.gov or call CGB at: (202) 418-0530 (voice), or (202) 418-0432 (TTY). The *FNPRM* can also be downloaded in Word or Portable Document Format (PDF) at: <https://www.fcc.gov/document/fcc-adopts-rules-help-block-illegal-robocalls-0>.

INITIAL PAPERWORK REDUCTION ACT OF 1995 ANALYSIS

The *FNPRM* seeks comment on proposed rule amendments that may result in modified information collection requirements. If the Commission adopts any modified information collection requirements, the Commission will publish another notice in the *Federal Register* inviting the public to comment on the requirements, as required by the Paperwork Reduction Act. Pub. L. 104-13; 44 U.S.C. 3501-3520. In addition, pursuant to the Small Business Paperwork Relief Act of 2002, the Commission seeks comment on how it might further reduce the information collection burden for small business concerns with fewer than 25 employees. Pub. L. 107-198, 116 Stat. 729; 44 U.S.C. 3506(c)(4).

SYNOPSIS

1. The Commission takes another important step in combatting illegal robocalls by enabling voice service providers to block certain calls before they reach consumers' phones. In the *Report and Order* portion of the document, the Commission adopts rules allowing voice service providers to block calls from phone numbers on a Do-Not-Originate (DNO) list and those that purport to be from invalid, unallocated, or unused numbers. Voice service providers have been active in identifying these calls and

there is broad support for these rules. In the *FNPRM* portion of the document, the Commission seeks comment on two discrete issues related to the rules.

2. The Commission seeks comment on two discrete issues related to the rules adopted in the *Report and Order* portion of document FCC 17-151. *First*, the Commission seeks comment on potential mechanisms to ensure that erroneously blocked calls can be unblocked as quickly as possible and without undue harm to callers and consumers. The Commission encourages voice service providers who block calls under certain stated criteria to identify and quickly rectify any erroneous blocking. The Commission now seeks comment on whether it should require providers who block calls to provide a formal challenge mechanism. Should the Commission require blocking providers to establish a challenge mechanism by which callers can inform them of erroneous blocking and such blocking can quickly be fixed? What is the quickest way for callers to be informed of blocking, *e.g.*, should providers send an intercept message to callers to notify them of the block with contact information by which a caller may report and rectify the situation? Should challenge mechanisms be different based on the scale of the blocking provider? What challenge mechanisms are blocking providers considering adopting, even absent a requirement? Is such a requirement necessary? Alternatively, does the Commission's informal complaint process provide a mechanism to surface erroneous blocking to providers and correct it? Are there ways the Commission could modify its informal complaint process to address the time-sensitive nature of erroneous call blocking? Are there other Commission processes that would provide an appropriate mechanism for rectifying erroneous blocking?

3. Once a caller is aware of erroneous blocking, how can the Commission best ensure their calls are unblocked? Should providers cease blocking calls as soon as is practicable upon a credible claim by the caller that its calls are being blocked in error? Should the Commission establish specific timeframes and requirements for making a credible claim of erroneous blocking? How can the Commission mitigate the risk that makers of illegal robocalls will exploit such a process? Commenters should address the balance between quickly identifying and rectifying erroneous blocking against imposing unduly onerous burdens on providers that might disincite helpful call blocking. In this light, the Commission seeks comment on

call blocking models voice providers or third parties may have developed to address erroneous call blocking.

4. *Second*, the Commission seeks comment on ways it can measure the effectiveness of the robocalling efforts as well as those of industry. If the Commission were to adopt a reporting obligation on all voice service providers, what information should be collected? Should providers be required to report the quantity of false positives? Should this be a quarterly requirement or an annual requirement? In what ways could the information collected help the Commission evaluate the effectiveness of its efforts as well as those of industry and/or support additional measures to combat illegal robocalls? What consumer benefits would come from requiring all voice service providers to publicly report the number of illegal robocalls blocked each day/month/year? What are the costs of requiring voice service providers to report this information? Should the Commission consider different requirements for smaller providers? Alternatively, should the Commission use data from the FCC's Consumer Complaint Data Center as a benchmark for determining the effectiveness of FCC and industry efforts? Are there other Commission or third-party data sources that the Commission could use to assess the effectiveness of its efforts as well as industry's at targeting illegal robocalls?

INITIAL REGULATORY FLEXIBILITY ANALYSIS

5. As required by the Regulatory Flexibility Act of 1980, as amended, (RFA) the Commission has prepared this Initial Regulatory Flexibility Analysis (IRFA) of the possible significant economic impact on a substantial number of small entities by the policies and rules proposed in the *FNPRM*. Written public comments are requested on this IRFA. Comments must be identified as responses to the IRFA and must be filed by the deadlines for comments on the *FNPRM* indicated above in the DATES portion of this document. The Commission will send a copy of the *FNPRM*, including this IRFA, to the Chief Counsel for Advocacy of the Small Business Administration.

Need for, and Objectives of, the Proposed Rules

6. The *FNPRM* builds on the *Report and Order* portion of document FCC 17-151 by inquiring about two related matters: how to effectively implement a challenge mechanism to allow erroneously blocked

calls to be unblocked as quickly as possible and how to measure the effectiveness of the rules adopted in the *Report and Order*.

7. First, the *FNPRM* seeks comment on how to best ensure that a challenge mechanism unblocks erroneously blocked calls as quickly as possible without undue harm to callers and consumers. It seeks comment about what mechanism to use to allow consumers to complain about erroneously blocked numbers. It also asks if the Commission should require blocking carriers to establish a formal challenge mechanism and how callers will be informed that their calls have been blocked. In addition, the *FNPRM* seeks comment on how to best ensure calls are unblocked once providers are aware they are blocking them in error. It asks whether the Commission should establish timeframes and requirements for making a credible claim of erroneous blocking and how to mitigate the risk that makers of illegal calls will exploit the process. In addition, the *FNPRM* seeks comment on models that have already been developed to accomplish these tasks.

8. Second, the *FNPRM* seeks comment on ways to measure the effectiveness of the call blocking rules adopted in the concurrent *Report and Order*. The *FNPRM* asks about requiring reporting by providers, including what information should be collected, the frequency of information collection, how the information should be used, and how to use various data sources as benchmarks for the effectiveness of the rules. In addition, the *FNPRM* seeks comment on the consumer benefits such information would provide.

Legal Basis

9. The proposed and anticipated rules are authorized under sections 201, 202, 222, 251(e) and 403 of the Communications Act of 1934, as amended, 47 U.S.C. 201, 202, 222, 251(e), 403.

Description and Estimate of the Number of Small Entities to Which the Proposed Rules Will Apply

10. The RFA directs agencies to provide a description of, and where feasible, an estimate of the number of small entities that may be affected by the rules adopted herein. The RFA generally defines the term “small entity” as having the same meaning as the terms “small business,” “small organization,” and “small governmental jurisdiction.” In addition, the term “small business” has the same meaning as the

term “small-business concern” under the Small Business Act. A “small-business concern” is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA.

Wireline Carriers

11. *Wired Telecommunications Carriers.* The U.S. Census Bureau defines this industry as “establishments primarily engaged in operating and/or providing access to transmission facilities and infrastructure that they own and/or lease for the transmission of voice, data, text, sound, and video using wired communications networks. Transmission facilities may be based on a single technology or a combination of technologies. Establishments in this industry use the wired telecommunications network facilities that they operate to provide a variety of services, such as wired telephony services, including VoIP services, wired (cable) audio and video programming distribution, and wired broadband internet services. By exception, establishments providing satellite television distribution services using facilities and infrastructure that they operate are included in this industry.” The SBA has developed a small business size standard for Wired Telecommunications Carriers, which consists of all such companies having 1,500 or fewer employees. Census data for 2012 shows that there were 3,117 firms that operated that year. Of this total, 3,083 operated with fewer than 1,000 employees. Thus, under this size standard, the majority of firms in this industry can be considered small.

12. *Local Exchange Carriers (LECs).* Neither the Commission nor the SBA has developed a small business size standard specifically for local exchange services. The closest applicable size standard under SBA rules is for the category Wired Telecommunications Carriers. The U.S. Census Bureau defines this industry as “establishments primarily engaged in operating and/or providing access to transmission facilities and infrastructure that they own and/or lease for the transmission of voice, data, text, sound, and video using wired communications networks. Transmission facilities may be based on a single technology or a combination of technologies. Establishments in this industry use the wired telecommunications network facilities that they operate to provide a variety of services, such as wired telephony services, including VoIP services, wired (cable) audio and video programming distribution, and

wired broadband internet services. By exception, establishments providing satellite television distribution services using facilities and infrastructure that they operate are included in this industry.” Under that size standard, such a business is small if it has 1,500 or fewer employees. Census data for 2012 show that there were 3,117 firms that operated that year. Of this total, 3,083 operated with fewer than 1,000 employees. Consequently, the Commission estimates that most providers of local exchange service are small businesses.

13. *Incumbent Local Exchange Carriers (Incumbent LECs)*. Neither the Commission nor the SBA has developed a small business size standard specifically for incumbent local exchange services. The closest applicable size standard under SBA rules is for the category Wired Telecommunications Carriers. The U.S. Census Bureau defines this industry as “establishments primarily engaged in operating and/or providing access to transmission facilities and infrastructure that they own and/or lease for the transmission of voice, data, text, sound, and video using wired communications networks. Transmission facilities may be based on a single technology or a combination of technologies. Establishments in this industry use the wired telecommunications network facilities that they operate to provide a variety of services, such as wired telephony services, including VoIP services, wired (cable) audio and video programming distribution, and wired broadband internet services. By exception, establishments providing satellite television distribution services using facilities and infrastructure that they operate are included in this industry.” Under that size standard, such a business is small if it has 1,500 or fewer employees. Census data for 2012 show that there were 3,117 firms that operated that year. Of this total, 3,083 operated with fewer than 1,000 employees. Consequently, the Commission estimates that most providers of incumbent local exchange service are small businesses.

14. *Competitive Local Exchange Carriers (Competitive LECs), Competitive Access Providers (CAPs), Shared-Tenant Service Providers, and Other Local Service Providers*. Neither the Commission nor the SBA has developed a small business size standard specifically for these service providers. The appropriate size standard under SBA rules is for the category Wired Telecommunications Carriers. The U.S. Census Bureau defines this industry as “establishments primarily engaged in operating and/or

providing access to transmission facilities and infrastructure that they own and/or lease for the transmission of voice, data, text, sound, and video using wired communications networks. Transmission facilities may be based on a single technology or a combination of technologies. Establishments in this industry use the wired telecommunications network facilities that they operate to provide a variety of services, such as wired telephony services, including VoIP services, wired (cable) audio and video programming distribution, and wired broadband internet services. By exception, establishments providing satellite television distribution services using facilities and infrastructure that they operate are included in this industry.” Under that size standard, such a business is small if it has 1,500 or fewer employees. Census data for 2012 show that there were 3,117 firms that operated that year. Of this total, 3,083 operated with fewer than 1,000 employees. Consequently, the Commission estimates that most providers of competitive local exchange service, competitive access providers, shared-tenant service providers, and other local service providers are small entities.

15. The Commission has included small incumbent LECs in this present RFA analysis. As noted above, a “small business” under the RFA is one that, *inter alia*, meets the pertinent small business size standard (*e.g.*, a telephone communications business having 1,500 or fewer employees), and “is not dominant in its field of operation.” The SBA’s Office of Advocacy contends that, for RFA purposes, small incumbent LECs are not dominant in their field of operation because any such dominance is not “national” in scope. The Commission has therefore included small incumbent LECs in this RFA analysis, although it emphasizes that this RFA action has no effect on Commission analyses and determinations in other, non-RFA contexts.

16. *Interexchange Carriers.* Neither the Commission nor the SBA has developed a small business size standard specifically for providers of interexchange services. The appropriate size standard under SBA rules is for the category Wired Telecommunications Carriers. The U.S. Census Bureau defines this industry as “establishments primarily engaged in operating and/or providing access to transmission facilities and infrastructure that they own and/or lease for the transmission of voice, data, text, sound, and video using wired communications networks. Transmission facilities may be based on a single

technology or a combination of technologies. Establishments in this industry use the wired telecommunications network facilities that they operate to provide a variety of services, such as wired telephony services, including VoIP services, wired (cable) audio and video programming distribution, and wired broadband internet services. By exception, establishments providing satellite television distribution services using facilities and infrastructure that they operate are included in this industry.” Under that size standard, such a business is small if it has 1,500 or fewer employees. Census data for 2012 show that there were 3,117 firms that operated that year. Of this total, 3,083 operated with fewer than 1,000 employees. Consequently, the Commission estimates that the majority of interexchange carriers are small entities.

17. *Cable System Operators (Telecom Act Standard)*. The Communications Act also contains a size standard for small cable system operators, which is “a cable operator that, directly or through an affiliate, serves in the aggregate fewer than 1 percent of all subscribers in the United States and is not affiliated with any entity or entities whose gross annual revenues in the aggregate exceed \$250,000,000.” There are approximately 52,403,705 cable video subscribers in the United States today. Accordingly, an operator serving fewer than 524,037 subscribers shall be deemed a small operator if its annual revenues, when combined with the total annual revenues of all its affiliates, do not exceed \$250 million in the aggregate. Based on available data, the Commission finds that all but nine incumbent cable operators are small entities under this size standard. Note that the Commission neither requests nor collects information on whether cable system operators are affiliated with entities whose gross annual revenues exceed \$250 million. Although it seems certain that some of these cable system operators are affiliated with entities whose gross annual revenues exceed \$250 million, the Commission is unable at this time to estimate with greater precision the number of cable system operators that would qualify as small cable operators under the definition in the Communications Act.

18. *Other Toll Carriers*. Neither the Commission nor the SBA has developed a size standard for small businesses specifically applicable to other toll carriers. This category includes toll carriers that do not fall within the categories of interexchange carriers, operator service providers, prepaid calling card

providers, satellite service carriers, or toll resellers. The closest applicable size standard under SBA rules is for Wired Telecommunications Carriers. The U.S. Census Bureau defines this industry as “establishments primarily engaged in operating and/or providing access to transmission facilities and infrastructure that they own and/or lease for the transmission of voice, data, text, sound, and video using wired communications networks. Transmission facilities may be based on a single technology or a combination of technologies. Establishments in this industry use the wired telecommunications network facilities that they operate to provide a variety of services, such as wired telephony services, including VoIP services, wired (cable) audio and video programming distribution, and wired broadband internet services. By exception, establishments providing satellite television distribution services using facilities and infrastructure that they operate are included in this industry.” Under that size standard, such a business is small if it has 1,500 or fewer employees. Census data for 2012 show that there were 3,117 firms that operated that year. Of this total, 3,083 operated with fewer than 1,000 employees. Thus, under this category and the associated small business size standard, the majority of other toll carriers can be considered small.

Wireless Carriers

19. *Wireless Telecommunications Carriers (except Satellite)*. Since 2007, the Census Bureau has placed wireless firms within this new, broad, economic census category. Under the present and prior categories, the SBA has deemed a wireless business to be small if it has 1,500 or fewer employees. For the category of Wireless Telecommunications Carriers (except Satellite), Census data for 2012 show that there were 967 firms that operated for the entire year. Of this total, 955 firms had fewer than 1,000 employees. Thus, under this category and the associated size standard, the Commission estimates that the majority of wireless telecommunications carriers (except satellite) are small entities. Similarly, according to internally developed Commission data, 413 carriers reported that they were engaged in the provision of wireless telephony, including cellular service, Personal Communications Service (PCS), and Specialized Mobile Radio (SMR) services. Of this total, an estimated 261 have 1,500 or fewer employees. Thus,

using available data, the Commission estimates that the majority of wireless firms can be considered small.

20. *Satellite Telecommunications Providers.* The category of Satellite Telecommunications “comprises establishments primarily engaged in providing telecommunications services to other establishments in the telecommunications and broadcasting industries by forwarding and receiving communications signals via a system of satellites or reselling satellite telecommunications.” This category has a small business size standard of \$32.5 million or less in average annual receipts, under SBA rules. For this category, Census Bureau data for 2012 show that there were a total of 333 firms that operated for the entire year. Of this total, 299 firms had annual receipts of under \$25 million. Consequently, the Commission estimates that the majority of satellite telecommunications firms are small entities.

21. *All Other Telecommunications.* All other telecommunications comprises, *inter alia*, “establishments primarily engaged in providing specialized telecommunications services, such as satellite tracking, communications telemetry, and radar station operation. This industry also includes establishments primarily engaged in providing satellite terminal stations and associated facilities connected with one or more terrestrial systems and capable of transmitting telecommunications to, and receiving telecommunications from, satellite systems. Establishments providing Internet services or voice over Internet protocol (VoIP) services via client-supplied telecommunications connections are also included in this industry.” The SBA has developed a small business size standard for the category of All Other Telecommunications. Under that size standard, such a business is small if it has \$32.5 million in annual receipts. For this category, Census Bureau data for 2012 show that there were a total of 1,442 firms that operated for the entire year. Of this total, 1,400 had annual receipts below \$25 million per year. Consequently, the Commission estimates that the majority of all other telecommunications firms are small entities.

Resellers

22. *Toll Resellers.* The Commission has not developed a definition for toll resellers. The closest NAICS Code Category is Telecommunications Resellers. The Telecommunications Resellers industry comprises establishments engaged in purchasing access and network capacity from owners and operators of telecommunications networks and reselling wired and wireless telecommunications services (except satellite) to businesses and households. Establishments in this industry resell telecommunications; they do not operate transmission facilities and infrastructure. Mobile virtual network operators (MVNOs) are included in this industry. The SBA has developed a small business size standard for the category of Telecommunications Resellers. Under that size standard, such a business is small if it has 1,500 or fewer employees. Census data for 2012 show that 1,341 firms provided resale services during that year. Of that number, all operated with fewer than 1,000 employees. Thus, under this category and the associated small business size standard, the majority of these resellers can be considered small entities. According to Commission data, 881 carriers have reported that they are engaged in the provision of toll resale services. Of this total, an estimated 857 have 1,500 or fewer employees. Consequently, the Commission estimates that the majority of toll resellers are small entities.

23. *Local Resellers.* The SBA has developed a small business size standard for the category of Telecommunications Resellers. The Telecommunications Resellers industry comprises establishments engaged in purchasing access and network capacity from owners and operators of telecommunications networks and reselling wired and wireless telecommunications services (except satellite) to businesses and households. Establishments in this industry resell telecommunications; they do not operate transmission facilities and infrastructure. Mobile virtual network operators (MVNOs) are included in this industry. Under that size standard, such a business is small if it has 1,500 or fewer employees. Census data for 2012 show that 1,341 firms provided resale services during that year. Of that number, all operated with fewer than 1,000 employees. Thus, under this category and the associated small business size standard, the majority of these local resellers can be considered small entities.

24. *Prepaid Calling Card Providers.* The SBA has developed a small business size standard for the category of Telecommunications Resellers. The Telecommunications Resellers industry comprises establishments engaged in purchasing access and network capacity from owners and operators of telecommunications networks and reselling wired and wireless telecommunications services (except satellite) to businesses and households. Establishments in this industry resell telecommunications; they do not operate transmission facilities and infrastructure. Mobile virtual network operators (MVNOs) are included in this industry. Under that size standard, such a business is small if it has 1,500 or fewer employees. Census data for 2012 show that 1,341 firms provided resale services during that year. Of that number, all operated with fewer than 1,000 employees. Thus, under this category and the associated small business size standard, the majority of these prepaid calling card providers can be considered small entities.

Description of Projected Reporting, Recordkeeping, and Other Compliance Requirements

25. As indicated above, the *FNPRM* builds on the *Report and Order* portion of document FCC 17-151 by inquiring about how to effectively implement a challenge mechanism to allow erroneously blocked calls to be unblocked as quickly as possible and seeking comment on how to measure the effectiveness of the rules adopted in the *Report and Order*. The Commission seeks to minimize the burden associated with reporting, recordkeeping, and other compliance requirements for the proposed rules.

26. Under the proposed rules, providers may need to establish procedures to respond to and evaluate complaints of erroneous call blocking, and quickly cease blocking that it determined to have been initiated in error. In addition, providers may need to retain records of calls blocked and report that information on a periodic basis.

Steps Taken to Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered

27. The RFA requires an agency to describe any significant alternatives that it has considered in reaching its proposed approach, which may include the following four alternatives (among others):

(1) the establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance or reporting requirements under the rule for small entities; (3) the use of performance, rather than design, standards; and (4) an exemption from coverage of the rule, or any part thereof, for small entities.

28. The challenge mechanism and reporting on which the Commission seeks comment could apply to all providers that block calls under the permissive rules in the *Report and Order*. In the *Report and Order*, the Commission encourages all carriers, including small businesses, to block illegal calls, and the Commission therefore seeks comment from small businesses on how to minimize costs associated with the challenge mechanism and the reporting. The *FNPRM* poses specific requests for comment from small businesses regarding how the proposed rules affect them and what could be done to minimize any disproportionate impact on small businesses.

29. The Commission will consider ways to reduce the impact on small businesses, such as establishment of different compliance or reporting requirements or timetables that take into account the resources available to small entities based on the record in response to the *FNPRM*. The Commission has requested feedback from small businesses in the *FNPRM* and seeks comment on ways to make a challenge mechanism and reporting less costly. The Commission seeks comment on how to minimize the economic impact of these potential requirements.

30. The Commission expects to consider the economic impact on small entities, as identified in comments filed in response to the *FNPRM*, in reaching its final conclusions and taking action in this proceeding.

Federal Rules that May Duplicate, Overlap, or Conflict with the Proposed Rules

31. None.

FEDERAL COMMUNICATIONS COMMISSION.

Katura Jackson,
Federal Register Liaison Officer,
Office of the Secretary,

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