Statement of Ranking Member Frank Pallone, Jr.
House Committee on Energy and Commerce
Subcommittee on Digital Commerce and Consumer Protection
Hearing on "Do Not Call: Combatting Robocall and Caller ID Spoofing"

April 27, 2018

Even in today's divisive climate, certain things still unite us as Americans. High on that list is our universal frustration with robocalls. They interrupt family dinners, evenings out, and even an occasional Congressional hearing. We might be tempted to ignore them, but when we check the caller ID, the number looks familiar. Is it our child's school, or the doctor's office, or a neighbor? Reluctantly, we pick up only to hear that we have won a free cruise, that Rachel from cardholder services can get us a better interest rate, or that a virus has been detected on our computer.

An estimated 18 billion unwanted calls were placed in the U.S. last year. That is a 76 percent increase over the previous year. The nuisance is so great that people are disconnecting their landlines altogether. But these calls are much more than a nuisance. They cause enormous economic harm. In 2016, more than 22 million Americans lost a total of $9.5 billion in robocall scams—an average $430 per person. Some victims have been conned out of their entire life-savings.

It is no surprise that unwanted telemarketing and robocalls top the consumer complaint list at both the Federal Trade Commission (FTC) and the Federal Communications Commission (FCC). Both agencies are taking action to stop them. But unfortunately, illegal robocalls are proliferating. Staggering profit margins mean that even large fines won't deter

bad actors. For every dollar robocallers spend, they make as much as 20 dollars profit. That's a 2,000 percent profit margin.

Moreover, we are caught in an escalating technology arms race. Voice Over Internet Protocol (VoIP) technology and autodialing enable law-breakers to place more calls at just a fraction of a cent per call from anywhere in the world. And sophisticated Caller ID spoofing tools have led to a dramatic rise in robocalls appearing to come from your area code and even similar phone number to yours. As law enforcement gets better at tracing robocalls back to their true point of origin, the scammers find new ways to mask their identity.

Given this reality, it is clear that reactive policing, no matter how aggressive, is not enough. Consumers need better proactive tools to block robocalls.

I understand the FTC and FCC are promoting the

development of new tools, including at a joint technology expo

earlier this week. And two of our witness are winners of past

FTC contests to spur the creation of call-blocking apps. I look

forward to hearing about those tools from our witnesses and

from Consumers Union on any regulatory gaps we need to close

or enforcement tools we should add to the federal arsenal.

As a start, today I'm releasing a discussion draft of my

Stopping Bad Robocalls Act. With this discussion draft, we

begin the task of crafting serious legislation to address these

annoying calls consumers face day in and day out.

This discussion draft includes a number of common sense

proposals to help protect consumers, and I'm interested in

feedback as to how this draft can be refined and improved

before introduction. Among other things, my discussion draft would put the teeth back into the Telephone Consumer Protection Act, enact strong consumer protections for allowed calls, give the FCC tough enforcement tools to use against robocallers, and require the FTC and FCC to work together to reduce unwanted calls by 50 percent annually year over year.

I urge my colleagues to review this draft, and work with me to help stop these unwanted calls. Thank you.