

**TESTIMONY OF STACI L. PIES, PRESIDENT, VON COALITION
BEFORE THE SUBCOMMITTEE ON
TELECOMMUNICATIONS & INTERNET,
HOUSE COMMITTEE ON ENERGY AND COMMERCE,
HEARING ON H.R. 251, THE TRUTH IN CALLER ID ACT OF 2007**

February 28, 2007

Thank you, Chairman Markey, Vice Chair Doyle, Ranking Member Upton, and members of the Subcommittee. My name is Staci Pies. I am Vice President, Governmental and Regulatory Affairs of Point One, a VoIP provider, and President of the Voice on The Net or VON Coalition – the voice for the VoIP industry. On behalf of the VON Coalition, I thank the Subcommittee for the opportunity to testify about this important issue.

Misleading people through the misuse of caller ID, whether for a prank, a scam, or worse, is unacceptable, and we thank the Committee for its leadership in addressing the issue.

VoIP is burgeoning in popularity with consumers because it can do so much more than Plain Old Telephone Service. VoIP allows consumers to take control over their communications experience, to manage how they use those services and to decide when and where they want to receive calls. Lower costs, coupled with a seemingly endless list of new possibilities are making VoIP one of the hottest Internet and broadband technologies today. Internet voice communications is changing the way we communicate, stay connected to our friends, family and colleagues, and how we live. Today's VoIP services aren't simply a means to have a conversation; they're portals to a world of information that enriches the communications experience and adds new dimensions to the idea of “conversation.”

Studies have shown that with the right policy framework and continued advancement, VoIP driven competition has the potential to save consumers more than \$100 billion over the next 5 years. Families are gaining unprecedented independence as well as new flexibility and

features not possible in yesterday's telephone network. Features such as choosing your area code, and the ability to use a VoIP service through any broadband connection are just some of the ways that consumers are benefiting. At the same time, connectivity, quality and reliability have improved to equal if not surpass that of the legacy phone network. For businesses, VoIP is lowering costs, increasing mobility, enabling collaboration, integrating voice and data in entirely new ways, boosting productivity by as much as 15%, and giving companies a competitive advantage.

And the best is yet ahead. The next wave of VoIP driven benefits promises to facilitate revolutionary improvements in the way we communicate. Soon a voice component can be added to any type of device, application or service that uses a microprocessor or touches the Internet.

Already, making a call can be just a click away. Consumers can pay less, but get more.

Communication is no longer tethered to a specific device or location. Workers can take their work phone home to spend more time with loved ones. Our armed forces can videoconference with families back home -- no longer having to choose between serving their families or serving their country. Free downloadable software keeps far-flung families connected, and enables children to learn a foreign language and doctors the latest medical procedures from experts around the globe. By disconnecting voice from the underlying infrastructure, voice innovation can now take place at Internet speed.

Many of the great benefits of VoIP to consumers and business users depend on accurate and non-misleading identification of the calling party. If I program my VoIP service to ensure that calls from my son's school are simultaneously rung on all of my phones, I don't want to answer it and find out that some telemarketer has spoofed the number to fool me into believing it is a priority call. And businesses that use caller ID to call up a customer's account record so that

it is immediately available to the customer service representative won't find the record very useful if it is the wrong record because the caller ID has been spoofed. To protect the usefulness of their services, VoIP providers have a strong interest in having caller ID be accurate and non-misleading.

The VON Coalition has been at the forefront of promoting best practices to enable consumers to protect their personal data. For instance, the Coalition moved early to adopt and post consumer guidelines for protecting billing records. Since then, businesses that control personal data, consumers, and the IP industry have taken significant steps to self police fraudulent access to personal data.

The VON Coalition agrees with previously presented Congressional testimony that caller ID fraud perpetrators must be penalized. Strong action must be taken against those that intentionally spoof caller ID with the intent to commit fraud, deceive, harass or otherwise create threats to life and limb. Law enforcement should have the tools to protect U.S. citizens from criminals fraudulently manipulating phone numbers to engage in identity theft to commit financial crimes. Similarly, criminals that modify caller ID to commit other crimes, such as harassing or stalking victims, should be prosecuted swiftly and effectively. Spoofing to defraud or harass, or for unlawful commercial gain cannot and should not ever be condoned or tolerated. Congress is right to focus its attention on those who would do so.

As Congress addresses deceptive spoofing, we urge you to keep in mind that the ability to change caller ID information – where the purpose is not to fraudulently mislead or deceive – has the potential to offer consumers a transformative communications experience. Policy makers must carefully balance the goal of thwarting harmful behavior with the public interest imperative to ensure that innovation flourishes and applications and services delivered over broadband are

available to all Americans. The ability of consumers to control various aspects of their communications experience presents exciting opportunities for the disabled, offers unsurpassed privacy protection, and enables businesses and consumers to communicate in increasingly efficient and powerful ways. The “Truth in Caller ID Act of 2007” as written, effectively balances these two important objectives – by facilitating prosecution of the fraud, while not thwarting or prohibiting innovative tools that have legitimate consumer empowering benefits. The bill recognizes, for example, that law enforcement may need to mask the true identity of an originating telephone number. This is not the only legitimate need to change caller ID information. I’d like to share five examples:

- ❑ First, VoIP services offer tremendous potential for persons with disabilities to communicate more effectively. VoIP integrates the phone, voice mail, audio-conferencing, e-mail, instant messaging, and Web applications on one secure, seamless network. Workers can use their PC, laptop, or handheld as a VoIP phone from virtually anywhere, with the same phone number, which benefits telecommuters, including those whose mobility is impaired and must work from home. One recent web-based application permits users to call any phone number in the US or Canada and the service reads to the called party the message that the originating user inputs into the web-based form. Users of the application who are speech impaired can now send voice messages simply by providing a phone number to dial and their own caller ID. Similarly, blind users can now take advantage of instant messaging services where previously they would have been precluded from doing so because of sight limitations. Importantly, the user can input her home, mobile, or office phone number, regardless of where the user is located (or where the call originates) when she sends the message, something that would

be prohibited by legislation that criminalizes any change in caller ID without a reference to intent.

- ❑ Second, one of the benefits of VoIP is that it can help a consumer better protect his own privacy and manage which of his personal information he presents to the world, irrespective of which communications device he utilizes to initiate a call. Consumers may want to direct return calls to a home or business landline, rather than a wireless number, for example. Calls for different purposes (personal versus business) may merit different telephonic return addresses, as one might do with ordinary mail. For instance, websites that allow consumers to post solicitations for lawful commercial purposes may also permit consumers to provide a temporary call back number that is different from their assigned caller ID. This beneficial privacy service may require a legitimate change in caller ID. One service explains the application in this way: “The desire to communicate can not be crippled by concerns about privacy. [This application] unleashes the true potential of a global community by making it a safer place.” While these applications manipulate caller ID, they do so for privacy protection and security. The VON Coalition does not sanction masquerading as another for fraudulent or deceitful purposes.
- ❑ Third, there are some situations in which caller ID information can endanger individual safety. The classic situation is the battered spouse. In some instances, blocking the delivery of caller ID information might be sufficient. However, because technological innovations permit users to “unblock” caller ID, any legislation, as well as law enforcement authorities, should be careful about presuming that blocking will always be adequate.

- ❑ Fourth, certain new communication services do not organically generate or transmit a traditional caller ID, but in order to connect to the public telephone network, the service may need to insert something that looks like a traditional phone number. Many of these innovative services, which offer tremendous new ways to communicate, do not utilize the same numbering and labeling practices as yesterday's phone services and should not be deemed illegitimate simply because the technology permits the caller ID to be changed. Users without traditional telephone numbers, users with several numbers, users wanting to move numbers to their calling device and network of choice -- these users are all potentially affected by technology that decouples devices from the caller ID that effectively used to be the address of the phone, and such users do not intend to defraud or cause harm. HR 251 appropriately focuses on the right class of services.
- ❑ A final, exciting application that I will share with you today is the ability for consumers to make click to dial calls while viewing broadband-based content such as IP-TV. Utilizing such an application, a viewer can click a single button on his standard TV remote control and pull up a menu that offers a variety of products and services - ranging from news, games, fantasy sports scores, traffic, shopping, and entertainment, to billing applications. From there, the viewer can locate a business of interest in the area and can then click on a button that enables the viewer to speak to the local business through a VoIP connection. Although the call technically originates through the VoIP service provider, the viewer can input his own caller ID for call-back purposes. Such innovative and rich communications experiences should not be eliminated through overly broad legislation or regulation.

I'd like to close with three additional thoughts. First, spoofing of caller ID is not new. Tools have been widely available for years to spoof caller ID on traditional networks. One method, sometimes referred to as Orangeboxing, offers the ability to spoof caller ID using a downloadable sound and a common tape recorder. Moreover, many large businesses operating a PBX system have, for quite some time, "spoofed" caller ID so that it appears as if all calls originating on the PBX come from the same central number.

Second, fighting fraudulent and deceptive changes in caller ID is only part of the solution. Companies handling sensitive customer information must also make sure they are handling that information with care. While caller ID can help a business retrieve a customer's account record, as long as caller ID can technically be spoofed (which will be the case even with new legislation) the business needs to handle disclosure of those records with the utmost care – making consumer privacy their top priority. One security expert explained the technology is not to blame for the fraudulent use. Society is. Society has grown far too reliant on caller ID as a form of identification. Both individuals and corporate America use caller ID to decide whom to trust. Unfortunately, too many individuals have suffered because of this misplaced trust. As Chairman Dingell and Ranking Member Barton recognized in introducing "The Prevention of Fraudulent Access to Phone Records Act" to prohibit pretexting of phone records and to enhance security requirements for customer proprietary network information, it is incumbent upon companies that are entrusted with personal information to do more to protect the privacy and security of their customers.

Third, misleading people through the misuse of caller ID, whether for a prank, a scam, or worse, is unacceptable. This Committee is right to focus on those who intend to mislead. At the same time, though, legislation should not impose liability on traditional carriers and VoIP

services providers who merely transmit what may turn out to be fraudulently altered caller ID information. Policy makers should not be misled into believing that technology innovators are to blame for criminal behavior. Networks and network service providers may be unable and should not be required to become “content police” or to discern legitimate and illegitimate uses of network services. Instead, service providers are best able to assist in the efforts to fight spoofing by keeping accurate records and making those records available, as appropriate, to proper authorities.

In focusing on those few people who would abuse caller ID technology, Congress can address the very real problem of deceptive spoofing effectively, in a cost-efficient manner that protects the proper use of this technology, and enables competitive and transformative innovation. VoIP service providers, who have made real strides in leveraging the power of the Internet and caller ID to provide robust services to consumers, fully support measures to protect the integrity of caller ID functionality. Together with this Committee’s efforts, the proliferation of VoIP services will create unsurpassed opportunities for consumers and even greater growth in broadband services. The VON Coalition believes that VoIP is positioned to help make communicating more affordable, businesses more productive, jobs more plentiful, the Internet more valuable, and Americans more safe and secure.

Thank you very much. I am happy to answer any questions.