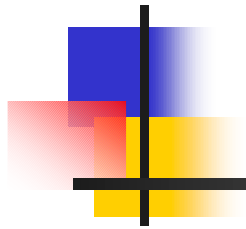


Policy & Economic Impact of the Misuse of Telephone Numbers



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Outline

- What is PRS (Audiotext)
- Policies
- Why Pacific Islands operated PRS
- Problems with PRS
- Fraud
- Counter Measures
- Economic Impact



What is Audiotext (PRS)

- Audiotext or Premium Rate Service where people will call a number advertised to get a particular service.
- Usually it is a soft porn service
- The users calls the number advertised and ends up at the advertised service.
- The telecom operator shares the termination rate with the Audiotext supplier
- Because of the very large number of minutes involved, it is very profitable



Why the Pacific Island Countries Promote PRS

- Many small telecom operators have financial problems:
 - Very low population (customer) base
 - Very high costs to provide services
 - Very large service area with very high maintenance costs
 - US Benchmark Order
- High Call termination rates



Problems with PRS

- Mostly porn sites
- Large number complaints about the telephone bill
- Problems if the collection rate is lower than the settlement rate when large volumes suddenly appear.
- Attractive for fraudsters
- Pirating of a countries numbers



Fraud

Currently two main types of Fraud:

- Modem Jacking
- GSM SIM Card misuse

Both generate very large volumes of traffic



Counter Measures

Many Carriers who have either experienced fraud or wish to stop it happening typically bar IDD calls to suspect countries.

Problem with this tactic is that it hurts innocent people while the fraudsters go free



Counter Measures cont.

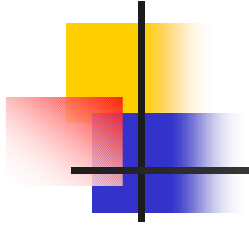
PITA is taking action with the small Pacific Island countries:

- Ten point action plan
- Representation to international Fraud Organisations
- Code of Conduct being drafted



Economic Effects

- Bigger telecom companies cannot afford the fraudulent losses which can be huge
- Pacific Islands economies are heavily reliant on telecommunications for tourism etc.
- Barring a country code will have a significant economic effect on small Pacific Island countries
- Small Pacific Island countries will lose the PRS revenues



Thank You