



Consumer Federation of America

October 12, 2010

The Honorable Julius Genachowski
Chairman
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: Support for Rules to Protect Consumers from “Bill Shock”

Dear Chairman Genachowski:

Consumer Federation of America writes this letter in support of Federal Communications Commission (FCC) efforts to move forward on promulgating rules on “Bill Shock” and Consumer Information and Disclosure requirements for wireless carriers.

As confirmed and illustrated by FCC’s study on “Bill Shock” earlier this year, many consumers have experienced sudden increases on their cell phone and other wireless carrier bills. Very few of them received any notice from their wireless carrier that such fee increases or charges were going to be implemented. Due to the lack of transparency about billing rates, CFA strongly supports efforts to improve consumer protections in this area by requiring disclosures to alert consumers about potential charges.

We support FCC efforts to require:

- Message alerts, free of charge to consumers, alerting them if they have reached 80% of their plan’s voice minutes, text messages, or data usage;
- Message alerts, free of charge to consumers, alerting them once limits have been reached, clearly stating costs for subsequent uses of these products and services, and requiring opt-in to continue to obtain services at the documented rates;
- Message alerts, free of charge to consumers, alerting them to rates of roaming charges and requiring opt-in to continue to obtain services at the documented rates; and
- Prominent, clear, comprehensible disclosure of *any* overage charges for exceeding a wireless plan’s limits on voice, text, data usage and roaming fees at the point of sale, on monthly billing statements and in advertisements.

“Bill Shock” will be decreased when consumers know the details about wireless billing practices. If consumers are alerted when they enter roaming zones, when they are reaching or have exceeded a plan’s limits and if consumers are required to opt- in to be charged additional fees, consumer knowledge about billing practices will be greatly improved. We applaud the FCC’s efforts to increase transparency related to billing practices of cell phone providers.

Sincerely,

A rectangular box containing a handwritten signature in black ink that reads "Mark Cooper".

Mark Cooper
Research Director

A handwritten signature in black ink that reads "Rachel Weintraub".

Rachel Weintraub
Director of Product Safety and
Senior Counsel