

INSIDE THE FCC[®]

Special Edition

Commentary & Analysis

Summer 2017

What Are Consumers So Mad About?



**A Closer Look at FCC
Consumer Complaints**

The Top Three Issues

Billing
Service
Robocalls

Plus

Net Neutrality
In Context

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Consumers are Mad About Billing, Service and Robocalls — Broadband and Net Neutrality Not So Much—



**The FCC Gets More Complaints on
ROBOCALLS, Billing and Service
Problems than on Any Other Issue**

Complaining to the Feds in Record Numbers

There is a lot of consumer angst to go around these days—everything from rising prices to government gridlock. In the age of consumer power, many Americans have had enough, and they are just not going to take it anymore—at least not without complaining.

Consumers have a standing invitation -- and indeed a constitutional right-- to let their voices be known when they don't like the way things are going. That goes for everything from taxes to telephones.

And how do we know this. We looked at consumer complaint data from the Federal Communications Commission (FCC) and found that Americans are vastly more concerned with issues such as unwanted calls or service problems than they are with the issue of Net Neutrality, which was covered widely in the press.

Starting in June 2015, the FCC began publishing consumer complaint data via the Consumer Complaint Data Center. The topics range from unwanted calls and billing problems to service availability and equipment incidents. This edition takes a look at the numbers behind the consumer complaints.



Addressing the #1 Consumer Complaint

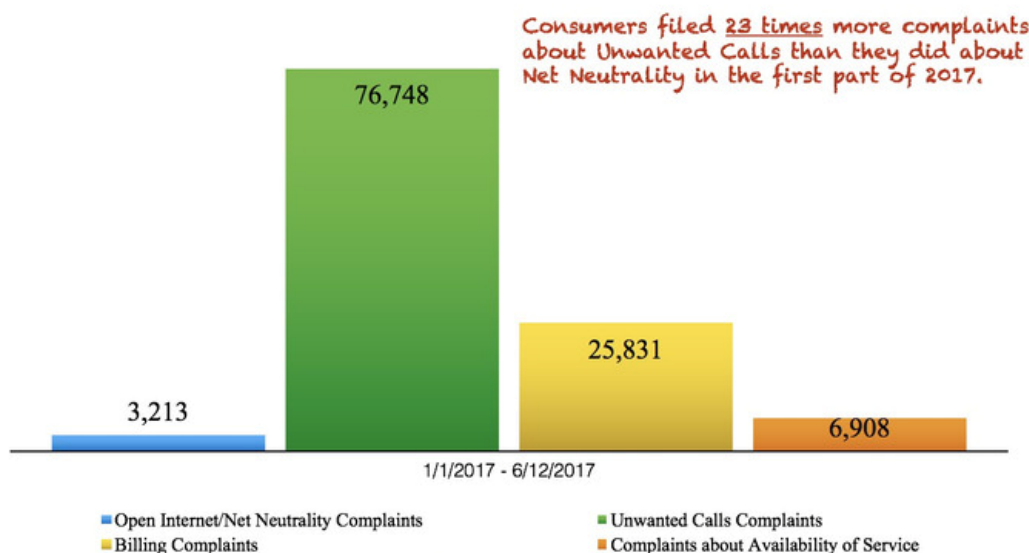
FCC Chairman Ajit Pai has targeted unwanted calls as an enforcement priority under his administration. Americans have shown across-the-board support for tougher action by government against abusers.

[See Pai's Recent Comments](#)

According to the FCC, American consumers received about 29 billion robocalls in 2016 or about 230 calls for every U.S. household. FCC chairman Ajit Pai said that unwanted robocalls are the No. 1 complaint the FCC receives from consumers. In 2017, consumers have filed 76,748 complaints -- more than 51% of all complaints -- on robocalls.

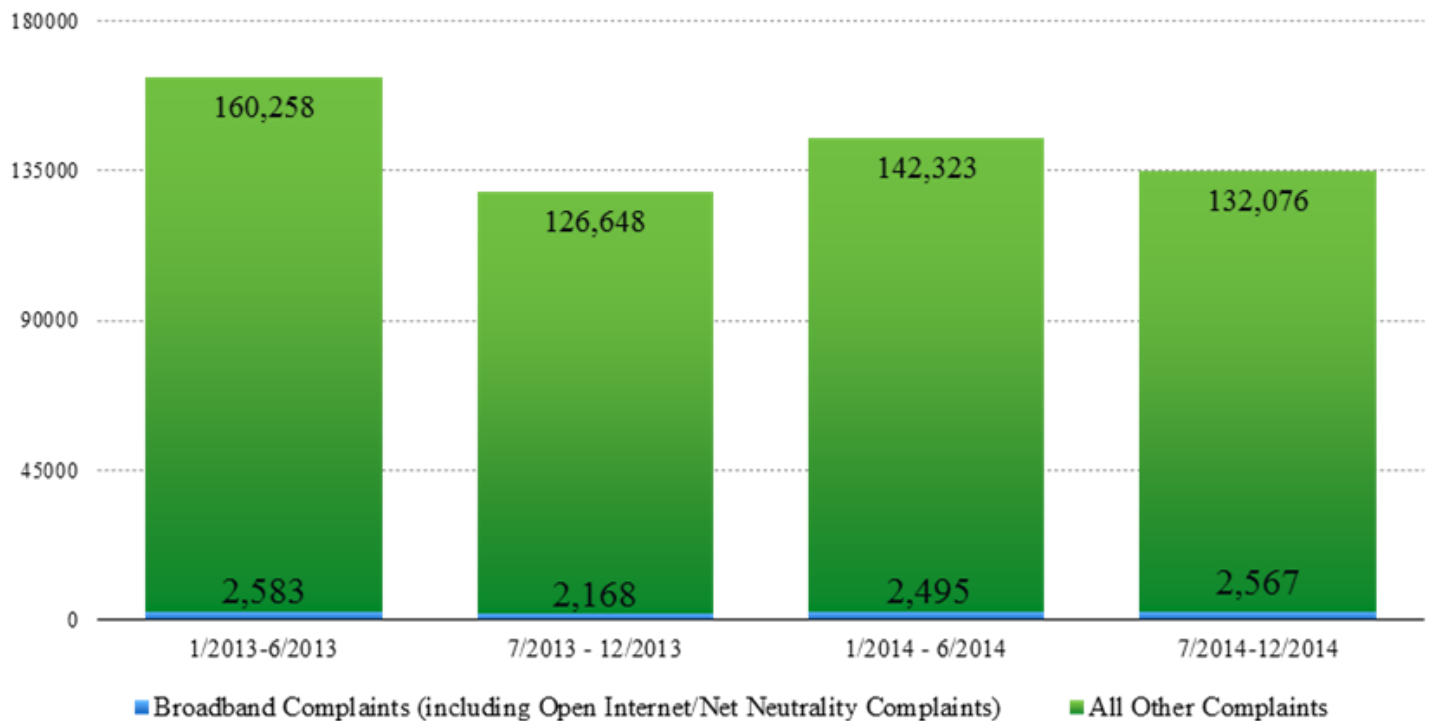
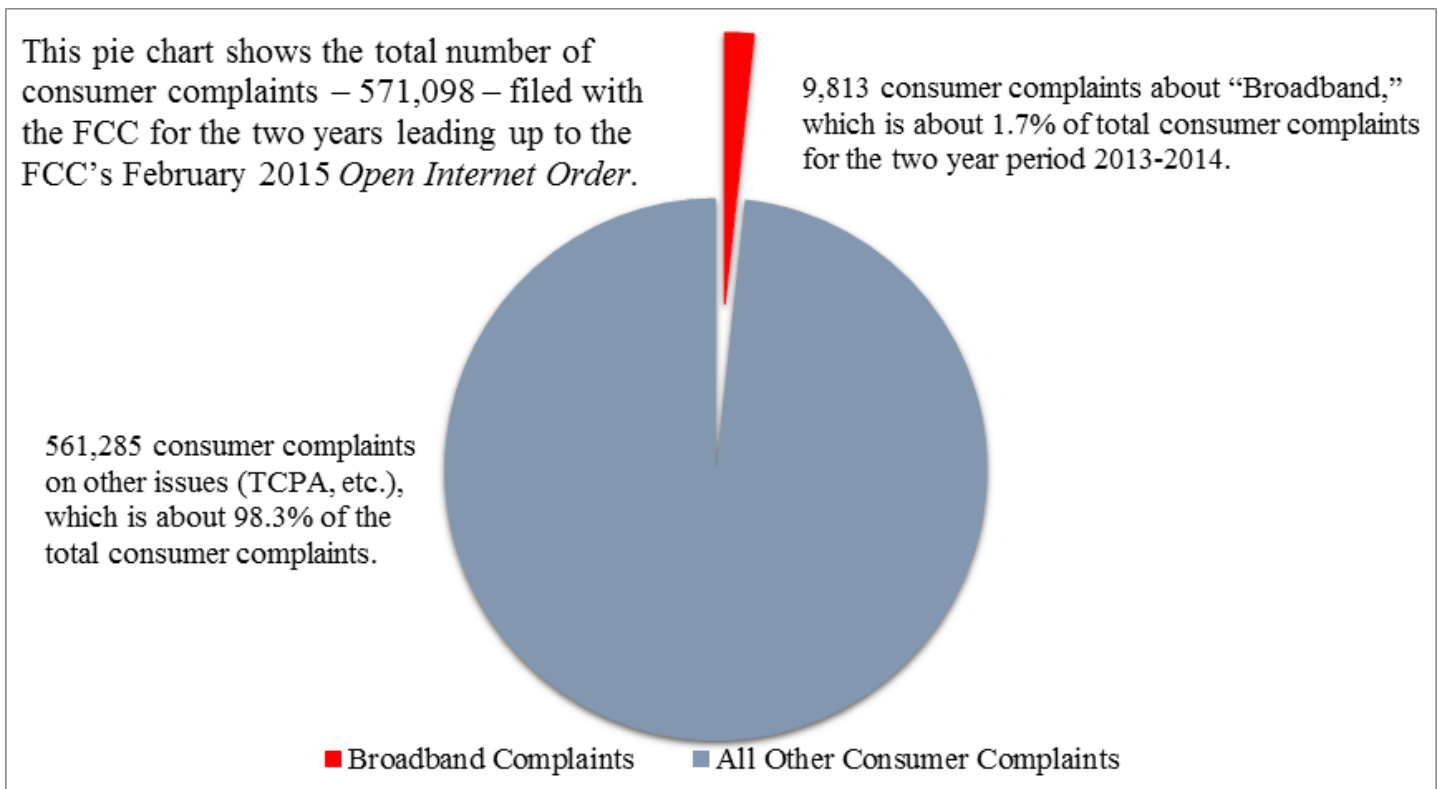
Top Consumer Complaint Issues in 2017

In 2017, consumers filed many more complaints about Availability issues, Billing issues, and Unwanted Calls than they did about Net Neutrality. Consumers filed *over twice as many complaints about Availability issues*, *over eight times as many complaints about Billing issues*, and *over 23 times more complaints about Unwanted Calls*.



SOURCE: FCC Consumer Complaint Data Center (<https://www.fcc.gov/consumer-help-center-data>).

A Look at Consumer Complaints



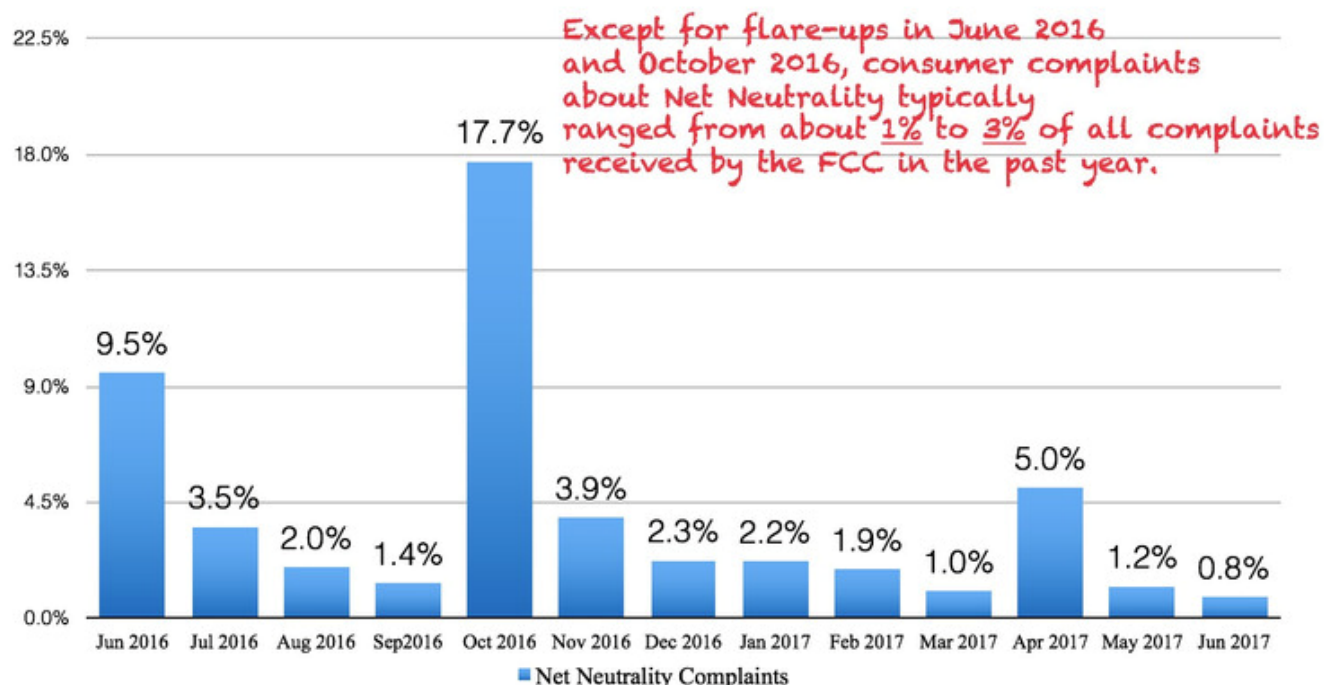
Are Net Neutrality Complaints Real or Manufactured?

The vast majority of net neutrality complaints --22,676 out of 37,750 -- roughly 60.3% were filed in just four individual months: November 2015, May 2016, June 2016, and October 2016. These numbers are significant, because it takes several steps for a consumer to register an individual complaint with the FCC. Although the agency has improved the process, consumers are required to find the right place on the website, and to summarize their complaint in succinct terms. This is in stark contrast to campaigns which are developed, orchestrated and deployed by interest groups, trade associations, and advocates to deliver thousands, if not millions, of complaints and comments to the FCC on behalf of consumers. Complaints require the consumer to take the initiative on something that is wrong, inoperative or difficult. Public comments are triggered by an invitation or open call from the Commission to anyone--indeed everyone-- to speak to the record on a particular proceeding, issue or rulemaking.

And How Do They Compare?

One-Year Trend of Net Neutrality Complaints — as a Percentage of All Consumer Complaints

June 2016 - June 2017



SOURCE: FCC Consumer Complaint Data Center (<https://www.fcc.gov/consumer-help-center-data>).

Time for Congress to Settle Major Issues in Communications Policy



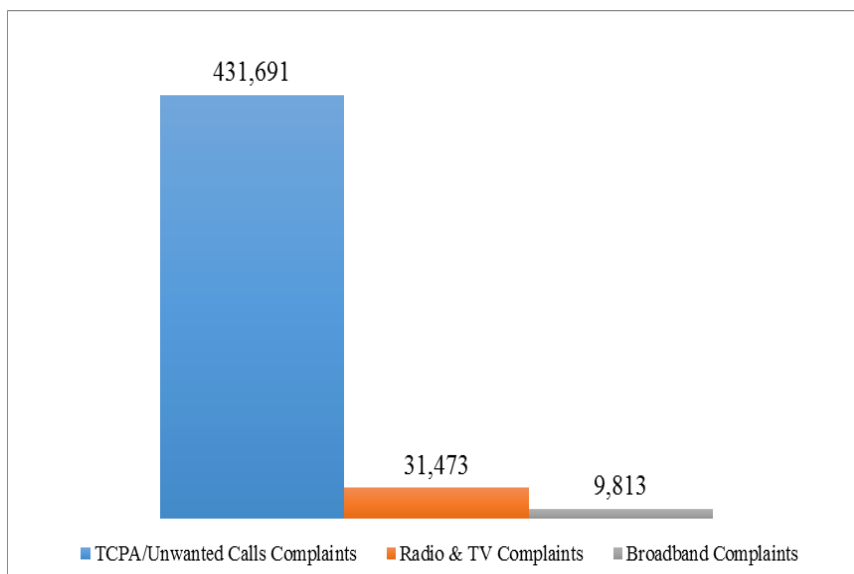
Congressional review and revision of the landmark 1996 Communications Act is long overdue. Legislation by Congress could end the uncertainty surrounding several of the big unsettled issues in communications policy, including media ownership rules, net neutrality, and privacy. Such action would be widely welcomed by industry, investors and consumers alike.

Legislative History and Precedent

In 1998, Senators Spencer Abraham (R-MI), John Ashcroft (R-MO), Wendell Ford (D-KY), John F. Kerry (D-MA), and Ron Wyden (R-OR) wrote to Democratic FCC Chairman William Kennard noting that "nothing in the 1996 Act or its legislative history suggests that Congress intended to alter the current classification of Internet and other information services to expand traditional telephone regulation to new and advanced services." The senators admonished the FCC that if it subjected "some or all information service providers to telephone regulation, it seriously would chill the growth and development of advanced services to the detriment of our economic and educational well-being."

Bipartisan Action to Stop Unwanted Calls

Democrats and Republicans don't agree on much these days. But one thing they have reached accord on is ending annoying robocalls. Earlier this year, the FCC unanimously voted 3-0 to adopt new rules to make it easier for phone companies to stop these calls. The new rules allow phone companies to block a number if it seems bogus. It is currently against the law for marketers to call people who have placed their numbers on the federal Do Not Call List.



In Context

For the past two years, the issue of Internet regulation has made for big headlines in the media. The debate on how, and under which statutory authority, broadband internet services should be regulated has been hotly contested both at the FCC and in the federal courts.

Whether you call it the “Open Internet”, “Net Neutrality” or “Internet Freedom”, there are three core questions at issue: Is broadband Internet a “telecommunications” service or an “information service”; how much should the federal government regulate broadband, and under what legal authority can that happen?

These simple policy issues have plagued the FCC for well over a decade, during which there have been numerous rulemakings, court challenges, and millions of comments filed by interested parties and the public.

As consumer issues go, net neutrality pops up on the policy radar screen only intermittently—driven by proceedings at the FCC. It is not one of the main issues vexing consumers, and yet it draws an outsized level of media attention, and public comments. The final chapter on the issue has yet to be written, but under the Pai FCC, the matter should be squarely addressed within the next few months.

In the interim, as an independent, consumer-facing regulatory agency, the FCC will remain on the frontlines of public interest concerns. One of its main responsibilities is to protect consumers from unfair and abusive acts and practices committed by common carriers, broadcasters, wireless, satellite and cable companies in the marketplace—as well as other entities subject to the Telephone Consumer Protection Act (TCPA), CAN-SPAM Act and other statutes for which the FCC has authority.

As consumers voice their concerns on billing issues, service problems and unwanted calls, the FCC will remain a first-stop for consumer complaints. We will continue to follow.

The New FCC is Now at Full Strength

After a brief period during which the Commission had two vacant seats, the FCC is back to full strength. Each of the five Commissioners brings a wealth of communications policy experience to their work on behalf of the American people.

Chairman Pai has embarked upon a decidedly de-regulatory agenda, focusing on getting government out of the way of the market. Clyburn, the longest-serving Commissioner, is a tireless consumer champion, bringing a voice to the voiceless. O’Rielly, with strong Congressional ties, has focused on keeping the FCC true to mission, mandate and jurisdiction, in addition to process. Newly appointed Commissioner Carr has a keen eye for legal precedent and should be a reliable ally for the Chairman’s agenda. And returning Commissioner Jessica Rosenworcel is expected to pick up where she left off as a proponent of innovation, education, wireless spectrum and the Internet of Things.

As an ensemble, this FCC promises to be less partisan than its predecessor body, and perhaps more effective. While there are divergent views on the role and scope of government regulation, we can be sure the big issues in communications policy will get a full hearing, and many hope a final resolution, once and for all.



—Editor