



Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the Matter of	)	
	)	
Truth-in-Billing and Billing Format	)	CC Docket No. 98-170
	)	
National Association of State Utility	)	CG Docket No. 04-208
Consumer Advocates' Petition for	)	
Declaratory Ruling Regarding Truth-in-	)	
Billing	)	
	)	

COMMENTS

*Teletruth Proposes Truth-in-Billing Act of 2005*

TELETRUTH, NEW NETWORKS INSTITUTE

Bruce Kushnick, Chairman  
Executive Director, New Networks Institute

Tom Allibone, Director of Audits  
President, LTC Consulting

<http://www.teletruth.org>

1-800-FYI-AUDITS

459 Broadway, 2nd floor  
New York, NY 10013



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## The Real Truth-In-Billing Problem Is the FCC's Lack of Investigation and Enforcement.

The FCC's current Truth-in-Billing proceeding is a waste of time. The FCC's own data shows thousands of complaints per month pertaining to problems with phone bill charges. However, no one is allowed to see this data to come up with a 'unified field theory' for the problems customers encounter with phone bills. In fact, as we've already proven in previous complaints, the FCC's data on phone bills charges are inaccurate, bordering on useless.

The main problem with the FCC's proceeding is that it doesn't solve basic, primary issues that need settlement and the FCC doesn't use actual phone bills.

A simple example? This SBC California phone bill has 5 mistakes. Can you find them?

California, SBC bill <http://www.teletruth.org/SBCphonebillmistakesl.html>

Where's the enforcement mechanism when a company doesn't have accurate bills? The FCC's own data should have found these mistakes if it was doing its data collection properly.

The FCC also reiterates that it still requiring non-misleading descriptions and that line items should not suggest that they are taxes.

“(b) – requiring that billing descriptions be brief, clear, non-misleading and in plain language; 2) reiterate that non-misleading line items are permissible under our rules; 3) reiterate that it is misleading to represent discretionary line item charges in any manner that suggests such line items are taxes or charges required by the government”

What an embarrassment that the FCC never took our “FCC Line Charge” 2004 Data Quality Act Complaint or our Truth-in-Billing Complaint seriously.  
<http://www.teletruth.org/RemoveFCCLineCharge.html>

This charge is on most local phone bills in the “Tax and Surcharge Section” – a violation. It is mislabeled because it doesn't go to the FCC—violation 2, and it is direct unmarked revenue back to the local phone company. – violation 3.

Don't believe us – Here's a New York City phone bill, outlining numerous 'truth-in-billing' problems. See: <http://www.newnetworks.com/dirtyphonebill.htm>

Worse, the FCC is in violation of every law, not only because it still allows this term “FCC Line Charge” on phone bills, but also because the FCC NEVER uses the “FCC”



term in the name when it discusses this charge, even though it is on the majority of phone bills.

And let's not start with the actual costs of the charges, since the FCC raised the cap a carrier can charge from \$3.50 in 2000 to \$6.50 by 2004.... And now the FCC is considering raising this charge to \$10 a month.

In fact, we have recently filed another 2 filings – a data quality act complaint against the FCC's press release about this charge (part of "intercarrier compensation) and comments, outlining why increasing this charge to \$10 a month is ludicrous.

See <http://www.teletruth.org>

We understand the FCC is examining the NASUCA petition, pertaining to essentially bogus charges, such as the "Cost Recovery" charge or the "Regulatory Assessment Fee".

"In this item, we address a Petition for Declaratory Ruling filed by the National Association of State Utility Consumer Advocates (NASUCA) seeking to prohibit telecommunications carriers from imposing any separate line item or surcharge on a customers' bill that was not mandated or authorized by federal, state or local law."

The impact from these charges are simple ---- This charge adds additional monies to the customer's bottom line charges, as well as additional taxes and surcharges. And many of these charges sound "governmental".

But that's only a small piece of the other charges not being added to the cost of a package, other hidden taxes and fees... all of which raise the overall charges.

For example, we found customers paying over \$10 for long distance service with no calls, simply the addition of various fees, taxes and surcharges. Or take the fact that an advertised package can have 35% more fees added. For example, the FCC Line Charge is NOT part of an advertised package price, even though customers must pay that charge --- Adding \$6.50 a month plus over 27% taxes applied in New York City.

Teletruth proposes that this FCC investigation be opened up to an external investigation of the FCC handling of this issue, and we are proposed a 'unified field theory' of research, specific actions and enforcement to fix phone bill problems for customers.

We call it **"The Truth-In-Billing Act of 2005" (TIB2005)**

The TIB2005 calls for new research on phone bills be conducted, as well as a series of visual "boxes" on phone bills be mandated. These "boxes" would give the total costs to customers for long distance calling per minute, the total cost for a package, new 'visual



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contracts' and the removal of small print which gives outlines of every major cost item, and a comprehensive monitoring of all communications with customers, from in store visits to customer service and sales.

It's time for the FCC to get serious about customer protections and start investigating the companies causing the problems, as well as its own ability to monitor and assess phone bill data.

We should point out that Teletruth was a member of the FCC Consumer Advisory Committee in 2003-2004. The FCC Consumer Advisory Committee thwarted any discussions of Truth-in-Billing in 2004, with industry interests, such as the Cellular association and Verizon blocking any remedies. But there are also astro-turf groups who now push the Bell company agenda, not the public interest.

See our complaints at:  
<http://www.teletruth.org/consumeradvisory.html>

We will be glad to work with the FCC to fix this mess. However, we will be calling on Congress to make TIB2005 a reality.

Bruce Kushnick, Teletruth  
Tom Allibone, Teletruth

**The Truth-In-Billing Act of 2005:  
Basic Covenants Between the Customer and the Carriers: Rules of Conduct.**



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The "Per-Minute" Box, "Total Plan Box", "Visual Contracts",  
"NO Small Print" Box.

Isn't Truth-in-Billing really the covenant between a customer and the company supplying a product or service for a price?

The advertisement, the store visit, the contractual arrangements, starting the service, and then the final monthly bill, which is supposed to accurately describe the services purchased, are all part of the Truth-in-billing cycle.

**Reasons for New Legislation:** Right now this relationship chain is broken and the regulators simply don't care. The FCC seems clueless on how to proceed. The FCC Consumer Advisory Committee thwarted any discussions of Truth-in-Billing in 2004, with industry interests, such as the Cellular association and Verizon blocking any remedies. And no state, to date, has completed and implemented basic, essential customer needs.

Meanwhile, Teletruth has been conducting and publishing the findings from phone bill surveys in New York, New Jersey, Pennsylvania, California, among other states, and our data reveals a world of inaccurate phone bills, outrageous charges for local, long distance and wireless services.

**Phone Bill Truth-in-Billing Violations:**

- **Phone bills are unreadable.** It is a provable fact. In two surveys by New Networks Institute in 1993, only 3 out of 1000 could get basic questions correct, and phone bills are not more complicated. Recent surveys by Teletruth in New York, NJ and California confirm these findings.
- **There is no "Rosetta Stone"** on the phone bill, the web site, or the advertisements to be able to actually calculate or verify the taxes and surcharges on the phone bill. Specific missing data about the application of taxes, or even which charges are being taxed, are missing.
- **There is no possible way a customer can actually go through the phone bill for mistakes** without a Rosetta Stone.
- **A California survey of phone bills found that 90% had some mistake(s).**
- **Some services placed in the "Taxes & Surcharges" section are mislabeled.** For example, the FCC Line Charge is direct revenue to the phone company, not a tax, yet it appears, in many states, in the tax section of the bill. Also, it does NOT go to the FCC, as the name would imply.
- **New York and New Jersey surveys found 59 "Truth-in-Billing" (TIB) violations** on a sample of 110 bills, including missing information, charges that do not add up correctly, mislabeling, etc.



Want simple proof? Can you spot the mistakes on this SBC California phone bill, this Verizon New Jersey phone bill, or the truth-in-billing errors on this Verizon New York bill?

- California, SBC bill <http://www.teletruth.org/SBCphonebillmistakesl.html>
- New Jersey, Verizon bill <http://www.newnetworks.com/NJphonebill.htm>
- New York, Verizon bill <http://www.newnetworks.com/dirtyphonebill.htm>

#### Other Truth-in-Billing Issues:

Phone bill readability and accuracy are only some of the problem areas. Teletruth's data from multiple states indicates:

- **Hidden Package Costs.** The cost of a package as advertised in New York City, does not include over 35% of other fees, taxes and surcharges, including fixed charges, such as the FCC Line charge. In New York, a Verizon package is advertised at \$59.95, and the taxes can be \$81.70 or higher.
- **15-25% of customers are paying more for being on a package.** The majority of users do not benefit from most packages and are better off buying features ala carte.
- **\$1-\$5-\$10 a minute phone bills.** Because there are multiple questionable charges added to the phone bill, a customer can be paying \$1-\$10 a minute. Some customers pay over \$10 and make 3-6 minutes of calls. Seniors are seriously impacted by this problem. Even customers on \$.05-a-minute plans can be paying outrageous rates because of plan and other fees.
- **Cell phone sales,** including the store visit, the advertisement, the ownership or rental of the phone, overages of calls, cost per minute, length of contract and getting out of the contract -- not to mention the phone, are all areas of complaints throughout the US.
- **Cramming, Slamming, Etc.** New and old methods are being employed to add charges to customers' bills or change their providers without their permission. Everything from home computers with viruses dialing 900 numbers to additional calls added from unknown companies, as popping up throughout the US.

The reason for this sticker shock is that the advertisements and the data given to the customer on the web sites, store visits, to even the data from FCC or state public utility commissions, have little, if anything, to do with the actual phone bill -- The Truth in Billing.

**Contractual Agreements vs What Was Really Said.** Contracts have virtually nothing to do with the consumer experience of purchasing phone, broadband, etc. The "Contract", which may or may not have been given to the customers, which may or may not be on the web site, is simply an unreadable series of caveats being presented to cover phone companies' liabilities.



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**Fine Print Too Fine.** In many cases, the information supplied in the advertisements is too small to read, goes by too fast on the TV, or is simply missing. And the fine print contains important facts. On cell phones it can state that the termination fee is \$175, there is a 2-year contract, the price per minute is always rounded up, and calls can cost \$.45 per minute or more over the plan's allowances. Worse, the fine print on many phone bills state that by paying these charges, you agree that the charges are correct. This makes the consumer liable without providing the critical information.

**A Unified Field Theory with Concrete Customer Fixes.**

Since phone bills are unreadable, the fine print is too fine, and the consequences are higher or outrageous phone bills, there needs to be a global, unified field theory to fix of the problems.

**1) Create the "Cost-Per-Minute" Box** -- Require a Cost-per-minute, which is the total cost divided by the number of calls, on all long distance and cellular bills, (toll calls could be included.)

**2) Cost Per Package Box** -- Requires all costs related to service, which the customer must pay, be in a box. It should include the unlimited local and long distance service, every mandated tax and surcharge applied to this fix fee, and every fixed fee charge, such as the FCC Line Charge, the USF calculations, E911, portability, etc.

(Note: Some municipalities and cities within a state may apply different taxes. However, if nothing else, a chart on the web site, adjusted for cities, should be provided and any city over X number of people should have the advertisement adjusted.

**3) The New Visual Contract** -- A contract needs to outline every part in clear language, provided to the consumer and available on the web site and mailed. It must also include a list of ALL major 'caveats'. It should have the major points 'boxed'. This would include the length of the contract, how to get out of your contract, Cost per minute, etc.

**4) "NO Small Print" Boxes.** --- Any 'small print' should 'boxed' with every major caveat in a box -- Length of Contract, termination fees, etc.

**5) Store Visits, Phone Calls** --- All customers visiting a store should be able to have every major point the sales person made on a sheet to be taken with them when they leave. All phone calls should be recorded for future reference and available to the phone company and the customer.

**6) Customer Service Record ---(CRS) for Free** -- All customers shall receive a free when requested. It is the customer's record/history for a specific phone line or account.

**7) Penalties.** Accurate phone bills are already supposed to be mandated. However, with no one checking the accuracy of the data, and no one is defending the public interest, penalties need put in place and enforced.



- **Be Correct or Consumer Be Free** --- Every phone bill shall be accurate or the customer is entitled to 2 free months of service.
- **Class Action suits** can be taken to justify a major problem with phone bills, in lieu of government agencies doing their job.
- **Criminal Wrongdoing.** Anyone making phone calls using a person's private computer, or willfully creating inaccurate phone bills amounting to increases for customers, can be prosecuted as a criminal case.
- **Contractual Agreements void from mistakes.** Any phone bill with a mistake makes the contract void. This can include any billing error, calculation mistake, or class action suit taken on behalf of a group of customers with the same mistakes.
- **Tax violations** Companies will also be held accountable for all tax violations and require the company to make whole all customers impacted by improper taxation.

**To start:**

**Congress Should Conduct an Independent Survey** --- Require a study with interviews and actual phone bills to determine all of the problem areas. This should be done by an independent group, not the FCC.

Starting in 1993, New Networks Institute pointed out in a Complaint that the FCC's own data on phone bills was seriously flawed. We have also filed in multiple complaints about the FCC Line Charge, the Truth-in-billing problems, and a host of other documents showing serious problem, as we have just outlined.

And it is evident that the FCC's data can not be trusted to fix phone bill problems. We have also filed a FOIA to see the FCC data on complaints, and have been denied access.

**Our Filings and other Phone Bill Related Materials.**

- 1 Class Action Suit settlement against Verizon NJ for missing Small Business discounts, based on phone data collected through Teletruth audits. July/April, 2004
- <http://www.teletruth.org/Smallbusinessdiscountsettlement.html>
- 1 Comments at the NASCUA Declaratory Truth-in-Billing Petition, July 2004
- <http://www.teletruth.org/docs/CommentsFCCTIB.pdf>
- 1 Data Quality Act Challenge of the FCC Line Charge, June 2004
- <http://www.teletruth.org/RemoveFCCLineCharge.html>
- 1 Truth-in-Billing Petition over the FCC Line Charge, June 2004
- <http://www.teletruth.org/RemoveFCCLineCharge.html>
- "FCC Subscriber Line Charge" complaint, 2001
- <http://www.newnetworks.com/presssslccomplaint.htm>
- Portability Charge Petition, 2001
- <http://www.newnetworks.com/New%20Portability%20Petition.htm>





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- "Truth in Billing" Comments, 2002
  - [http://www.newnetworks.com/FCC\\_CC\\_98-170.txt](http://www.newnetworks.com/FCC_CC_98-170.txt)