



NEW AMERICA  
FOUNDATION



## **Broadband Truth-in-Labeling**

The Open Technology Initiative of the New America Foundation is calling for Truth-in-Labeling by our nation's broadband operators. Drawn from similar useful disclosure requirements by lenders, these Broadband Truth-in-Labeling disclosure standards will give the marketplace a much-needed tool that clarifies and adds meaning to the terms and conditions of the service being offered.

Broadband subscribers are often frustrated that the actual performance of their internet access service regularly falls far below the advertised speeds. Consumers set their expectations based on phrases like "up to 16 Mbps," and are disappointed to learn that these quotes are worthless as assurances. Currently, there is no lawful requirement for ISPs to reveal the contents of the broadband services they are providing; customers might be harmed by the invalid or ambiguous languages.

Internet Access Providers should disclose the important facts and details of the broadband offering before subscribers sign up. The disclosure should be meaningful, and failing to meet minimum standards should be treated as an important service outage (resulting in a refund or service credit to the consumer). Where there are choices between different products or providers, the disclosure should be made in a way that allows consumers to compare them. Providing clear, meaningful, comparable disclosures ultimately spurs competition between ISPs which encourages the future development of broadband technology.

Open Technology Initiative has created a sample Broadband Truth-in-Labeling disclosure below. ISPs use a standardized label to notice their customers what broadband services they are subscribing, including Internet speed, service guarantee, prices, service limits, and other related elements. The label aims at educating customers the contents of broadband services and making the broadband services more transparent to spur broadband competition, innovation and consumer welfare.

To make sure the broadband service is clearly expressed, the Broadband Truth-in-Labeling disclosure should be standardized to comprise several typical elements as indicators of broadband service quality, such as minimum expected speed and latency to the ISP's border router (where the ISP connects to the rest of the Internet) and service uptime. These minimum assurances will be supported by the ISP as guarantees in the delivery of broadband services, backed by technical support and service charge refunds or credits. In addition to the description of minimums being guaranteed of the service, the disclosure should include all applicable fees, a common description of the technology used to provide the services, any service limits such as a bandwidth cap or the application of any traffic management techniques, the length of the contract terms, and a link to all additional terms and conditions. Requirements should be established for disclosing any highly objectionable or surprising terms such as arbitration restrictions or information or data selling.

This Broadband Truth-in-Labeling disclosure must be shown to the consumer as part of the sign-up process and must be assertively presented again any time the ISP decide to alter the terms in such a way that alters the facts on the original Broadband Truth-in-Labeling disclosure.

<b>ExampleCom Ultra 15 Mbps Broadband Truth-in-Labeling</b>	
<b>Advertised Speed</b>	15 Mbps downstream/2 Mbps upstream
<b>Service Guarantees</b> <b>Services are measured from and to the border router.</b>	
<b>Minimum Speed at Border Router</b>	8Mbps downstream /384Kbps upstream
<b>Minimum Reliability/ Uptime</b>	96%
<b>Maximum Round-trip Latency (Delay) to Border Router</b>	50ms
<b>Service Guarantee Terms</b>	Daily service credit upon request for any outages or extended periods of under-delivery of service
<b>Prices</b>	\$44.99 monthly service \$19.99 monthly for the first six months on promotion
<b>Service Limits (List all traffic management techniques)</b>	<ul style="list-style-type: none"> <li>● Exceeding 100GB calendar week considered excessive use, subject to disconnect penalties, see <a href="http://www.examplecom.invalid/excessive">http://www.examplecom.invalid/excessive</a></li> <li>● Traffic by heavy users in congested areas is artificially slowed, see <a href="http://www.examplecom.invalid/shaping">http://www.examplecom.invalid/shaping</a></li> </ul>
<b>Other Fees (ISPs cannot charge if not listed)</b>	\$3 monthly modem rental fee \$59.99 installation fee \$19 outlet installation \$150 early termination during promotion period \$2 account change fee \$35 service call fee unless \$3 monthly inside wiring maintenance plan is in force Sales taxes and franchise fees, vary by location
<b>Contract Term</b>	At will, customer may cancel at anytime after first six months. During the first six months, a cancellation results in a \$150 fee.
<b>Service Technology</b>	DOCSIS 1.1 / 2.0 HFC
<b>Legal and Privacy Policies</b>	<a href="http://www.examplecom.invalid/legal">http://www.examplecom.invalid/legal</a>