

AD HOC COMMITTEE ON NATIONAL WIRELESS CONSUMER PROTECTION STANDARDS

*Priority Federal Standards Survey**

June 2009



**National Association of
Regulatory Utility Commissioners**
1101 Vermont Ave, N.W., Suite 200
Washington, D.C. 20005
Telephone (202) 898-2200, Facsimile (202) 898-2213
Internet Home Page <http://www.naruc.org>

*The survey accurately represents the views of those that responded – which includes representatives from a majority of NARUC's members. As with most surveys, NARUC as an association is unlikely to take a specific position on various respondents' recommendations.

Members of the Ad Hoc Committee on National Wireless Consumer Protection Standards

The Honorable John Burke (VT) Chairman.

NARUC Telecommunications Committee Chair Ray Baum (OR) Ex Officio

NARUC Consumer Affairs Committee Chair Anne Boyle (NE) Ex Officio

The Honorable Carlito Caliboso (HA)

The Honorable Philip Jones (WA)

The Honorable Lorinzo Joyner (NC)

The Honorable Betty Ann Kane (DC)

The Honorable Brandon Presley (MS)

The Honorable Nixyvette Santini Hernandez (PR)

The Honorable Timothy Simon (CA)

(Two former Commissioners – who have recently departed their Commissions and this committee – also contributed to this document – the Honorable Sharon Gillett (MA) and the Honorable Daryl Bassett (AR))

TABLE OF CONTENTS

Congressional Interest in Legislation.....	4
Key Prerequisites for Rationale and Effective Legislation.....	4
NARUC Survey on Possible National Standards.....	6
NARUC Ad Hoc Committee on Wireless Consumer Protection.....	7
Survey Design.....	7
Survey Results – Top Ranked Priorities for Each Section.....	8
Survey Results – Top Ranked Priorities Overall.....	10
Final Comments.....	12

Appendices:

Appendix A: The Survey

Appendix B: Summary of Responses – with respondent’s comments

Appendix C: List of Respondents

Appendix D: Letters submitted in lieu of completing the Survey

Appendix E: NARUC’s 2008 Wireless Resolution

Appendix F: Relevant Sections of 2008 Klobuchar-Rockefeller & Markey Bills

In the wake of several Congressional initiatives in the last Congress, NARUC passed a resolution *endorsing* national wireless consumer protection Standards in 2008. Subsequently, the NARUC Telecommunications Committee created an Ad Hoc Committee on National Wireless Consumer Protection Standards charged with performing this survey to inform Congress (and perhaps the FCC) in any deliberations on this topic.

I. Congressional Interest in Legislation:

In the 110th Congress, key lawmakers focused on the need for national wireless consumer protection standards. Several bills were introduced in the Senate, including one from Senator **Amy Klobuchar (D-MN)** which was co-sponsored by the current Chair of the Senate Commerce Committee, **John Rockefeller (D-WV)**. In the House, then House Energy and Commerce Subcommittee on Telecommunications and the Internet Chairman **Edward Markey (D-MA)** released a comprehensive discussion draft. At the same time, Senator **Herb Kohl (D-WI)**, Chairman of the Judiciary Committee's Subcommittee on Antitrust, Competition Policy and Consumer Rights brought attention to the rising cost of cellphone text messages.¹ While a range of wireless consumer issues received a lot of Congress's attention, no bill moved beyond the hearing stage.

However, in the 111th Congress, both houses of Congress remain interested in providing additional protections to their constituents. Representative Markey's replacement as chair of the House Energy and Commerce Subcommittee on Telecommunications and the Internet subcommittee, Representative **Rick Boucher (D-VA)**, has already held one hearing on wireless issues. Both Senate Commerce and the Senate Antitrust Subcommittee are also expected to continue examination of wireless consumer protections in this Congress.²

II. Key Prerequisites for Rationale and Effective Legislation:

On the most important issues, the Klobuchar-Rockefeller bill (S.2033) and Markey's discussion draft take similar approaches. Both establish national wireless consumer protection standards and allow States to enforce those standards.³ Significantly, both also provide States with a mechanism to assure that new consumer abuses can be addressed in a timely fashion.⁴

¹ Mr. Kohl sent a letter to Verizon Wireless, AT&T, Sprint and T-Mobile, inviting them to answer basic questions about their text messaging costs and pricing. His action was spurred by the four major wireless providers' decision to increase the price per message from 10 cents to 20 cents over the last three years.

² The Antitrust Subcommittee's "agenda" for this Congress has wireless text messaging prices near the top of the list. The Committee held a hearing on this on June 16, 2009. See, *Senate Subcommittee on Antitrust, Competition Policy and Consumer Rights announces its Agenda for the 111th Congress* (3/20/09): <http://kohl.senate.gov/newsroom/pressrelease.cfm?customel_dataPageID_1464=2468>.

³ A bill introduced by Senator Mark Pryor (D-AR) also set national rules but eliminated State enforcement authority. Because reducing the number of State "cops" on the beat necessarily limits enforcement, consumer redress, and can only encourage bad actors, Mr. Pryor's bill garnered little support.

⁴ Representative Markey's bill allows carriers to appeal State actions to the FCC on a case-by-case basis when they pose new issues. Senator Klobuchar's bill allows States discretion to handle any new abuses or issues as they arise.

In the 1993 Budget Reconciliation Act, while Congress narrowly preempted State oversight of entry or rates⁵ of wireless carriers, *it specifically reserved State authority to regulate “other terms and conditions of commercial mobile services.”*⁶ This means *currently* State commissions can step in to address carriers’ abusive contractual terms and conditions when circumstances warrant – informally handling complaints or setting service benchmarks or perhaps referring a complaint to the State Attorney General.

Those that take the position that there should be no State role ignore both logic and history.

The historical record is clear. The existing State oversight Congress retained in 1993 has not inhibited wireless industry in either growth or innovation. Since 1993, by any standard, the wireless industry has been wildly successful.⁷ Moreover, any proposal to limit State remedies, enhanced State penalties, or the range of existing State enforcement procedures for conduct that violates national standards simply makes no sense. Eliminating State enforcement of federal standards is a guaranteed bad deal for constituents. *The federal government will always lack the manpower to help all consumers in every State. In many cases, whatever assistance the federal government may provide will be attenuated by distance and time zones.* Taking State consumer “cops” off the beat can only encourage bad behavior, significantly constrain enforcement of those federal standards and severely limit many practical options for constituent relief.

Both history and logic also suggest there must be *some mechanism* for State instigation of new national standards to handle emerging abuses not covered by current rules. Both Representative Markey’s and the Klobuchar-Rockefeller’s proposals clearly recognize that States are almost always the first to provide relief and the first line of enforcement when old abuses take new forms or new abuses emerge. (See full text of the mechanisms they proposed in Appendix F.) Often State efforts beat federal counterparts by one to three years; sometimes the gap is considerably longer. In the area of consumer abuses, for example, States were first with detailed Caller ID rules, anti-slamming rules, and State do-not-call programs. To cite a recent example, State commissions (and attorneys general) have been addressing abuses of cellular phone early termination fees for at least five years. The FCC has only recently considered issuing a rule limiting ETF abuses in the face of rising complaints. Arguably, the FCC’s action was spurred by an industry petition to preempt State efforts to restrain abusive ETFs.⁸ States are also typically the first to get a complaint (and see the results) when market power is being abused by market participants. Whenever such consumer or marketplace abuses arise, the law of

⁵ States can petition the FCC to allow State rate oversight when circumstances warrant.

⁶ 47 U.S.C. § 332(c)(3)(A) (1993).

⁷ To date, this dual jurisdictional model has served the wireless industry quite well, demonstrated by its rapid growth over the past 15 years. According to CTIA -The Wireless Association, over 260 million Americans now subscribe to a cellular-phone service. In just the last ten years, that number has more than quadrupled from 55 million subscribers in 1997. See also the industry submissions in the appendix – outlining the vibrant growth and innovation of the industry under the existing jurisdictional paradigm.

⁸ On June 12, 2009, apparently sensing that the new FCC majority is unlikely to be sympathetic to its position, CTIA made the tactical decision to withdraw its petition seeking a declaratory ruling that ETFs are rates and therefore not subject to any State enforcement jurisdiction. See CTIA petition for declaratory ruling with the FCC, WT Docket No. 05-194; DA 05-1389, filed March 15, 2005. See also CTIA Notice of Withdrawal, WT Docket No. 05-194; Filed June 16, 2009.

unintended consequences should NOT be construed to work against consumers and competitors. NARUC's resolution specifically endorses a novel mechanism to provide State input to adjust any national standards quickly to respond to new consumer abuses.⁹ The Resolution is attached as Appendix E.

III. NARUC Survey on Possible National Standards

A. NARUC Ad Hoc Committee on Wireless Consumer Protection

For years NARUC has advocated that any national standards must include State enforcement and be a “floor,” not a “ceiling.” However, a resolution adopted at the 2008 NARUC Summer Committee Meeting in Portland, Oregon, shifted that position– for the first time – to an *affirmative* NARUC endorsement of national standards for wireless consumer protection. The resolution continues NARUC's support for State enforcement of any national standards using existing State agencies and procedures – as well as a strong State role in updating those standards on a regular basis.

After adopting a resolution endorsing national standards, NARUC established an Ad Hoc Committee on Wireless Consumer Protection. Members of this committee represent NARUC's geographic diversity and its Telecommunications and Consumer Affairs committees. Telecommunications Committee Chair Ray Baum of Oregon and Consumer Affairs Committee Chair Anne Boyle of Nebraska both have ex-officio, non-voting positions on the task force.

The current members of the Ad Hoc Committee on National Wireless Consumer Protection Standards are: Commissioner John Burke of Vermont, Chair; Commissioner Carlito Caliboso of Hawaii; Commissioner Philip Jones of Washington; Commissioner Lorinzo Joyner of North Carolina; Commissioner Betty Ann Kane of the District of Columbia; Commissioner

⁹ **MECHANISM TO REFORM NATIONAL RULES TO ADDRESS EMERGING ABUSES:** NARUC recommends Congress require a Joint Task Force of 3 FCC Commissioners, 5 State commissioners (appointed by NARUC), 1 industry representative, 1 representative for State Attorneys General, and 1 consumer advocate to engage in a collaborative process to agree upon set of uniform national wireless consumer protection standards. The task force would hold public meetings, except for deliberative sessions, and would continue to meet at least every six months after initial standards are adopted to review proposals for changes. Meetings could be held sooner at the option of the chair or by request of a majority. Uniform national wireless standards should be completed within six months and then submitted to the FCC for approval. If no action is taken by the FCC within 120 days, the uniform national consumer protection standards would be deemed adopted by the FCC. Should any such recommendations affect Sections 214(e) or 332(c), such revisions shall be submitted to the relevant committees of Congress.

RESIDUAL STATE AUTHORITY: According to the resolution “[u]nder this new partnership, the State commissions should retain co-extensive authority to: (1) resolve consumer complaints in their States; (2) enforce the uniform national wireless consumer protection standards; and (3) conduct fact-based investigations relating to subject matters covered by such national consumer protection standards, similar to the way slamming and cramming matters are now handled; (4) utilize existing laws and administrative procedures authorized by the State to enforce any provisions included in a uniform national standard, either pursuant to State law or delegated authority under federal law; and (5) impose a penalty to enforce compliance with such standards or a violation of State law pursuant to a civil action or an administrative procedure authorized by the State, including higher fines or more punitive civil or criminal remedies, including injunctive relief.” The Resolution also specifies that States should “retain the ability to exercise explicit authority, including but not limited to, enforce laws of general applicability, collection and payment of State taxes, interconnection requirements, State universal service programs, public safety/E911 requirements, [and] ETC designations.”

Brandon Presley of Mississippi; Commissioner Nixyvette Santini Hernandez of Puerto Rico; and Commissioner Timothy Simon of California.

The Ad Hoc Committee undertook this survey to assist Congress (and perhaps the FCC) by identifying areas of ongoing concern with wireless service. NARUC stands willing to work with Congress and the FCC to generate a set of recommended national wireless consumer protection standards if asked. The Ad Hoc Committee sought input from the wireless industry, State attorneys general, national and State consumer advocates and member PUCs via a survey.¹⁰ Forty one responses were received, the majority of which were from State PUCs or consumer advocates. In addition to those responses, five organizations submitted a letter in lieu of a completed survey. These responses are included in Appendix D.

B. Survey Design

A staff team from commissions in California, the District of Columbia, Massachusetts and Puerto Rico drafted the survey. The already familiar terms and conditions for wireless service currently regulated or proposed to be regulated by the States and/or federal government were used as the basis of the survey.¹¹

Respondents were asked: “if the FCC were to adopt uniform national wireless consumer protection standards that the States would have concurrent authority to enforce, how would you prioritize these items using a 0 to 3 rating scale.” Respondents were invited to submit written comments on each section of the survey and encouraged to provide additional recommendations in the final section.

The survey had five sections:

- A. Advertising Disclosures
- B. Disclosure of Terms and Conditions at the Point-of-Sale
- C. Contract Terms and Conditions
- D. Billing Practices
- E. Quality of Service
- F. Other Comments & Recommended Priorities

Each section had multiple issues which respondents were asked to prioritize:

- 0 = No Priority – Federal/State Regulation Unnecessary to Protect Consumers
- 1 = Lowest Priority for Inclusion in National Standards
- 2 = Somewhat of a Priority for Inclusion in National Standards
- 3 = Highest Priority for Inclusion in National Standards

¹⁰ Specifically, the survey was sent to: Cellular Telecommunications Industry Association; Personal Communications Industry Association; Wireless Communications Association International; Rural Telecommunications Group; Rural Cellular Association; AARP; Consumers Union; Consumer Federation of America; National Association of Attorneys General; the National Association of State Utility Consumer Advocates (NASUCA), as well as NARUC member commissions.

¹¹ October 7, 2008 *Memo from J. Bradford Ramsay, NARUC General Counsel to the Ad Hoc Committee on Wireless Consumer Protection Standards on current State authority/enforcement activity.*

Each priority was assigned a single numeric value to capture its ranking against values assigned to other responses, according to the following scale.

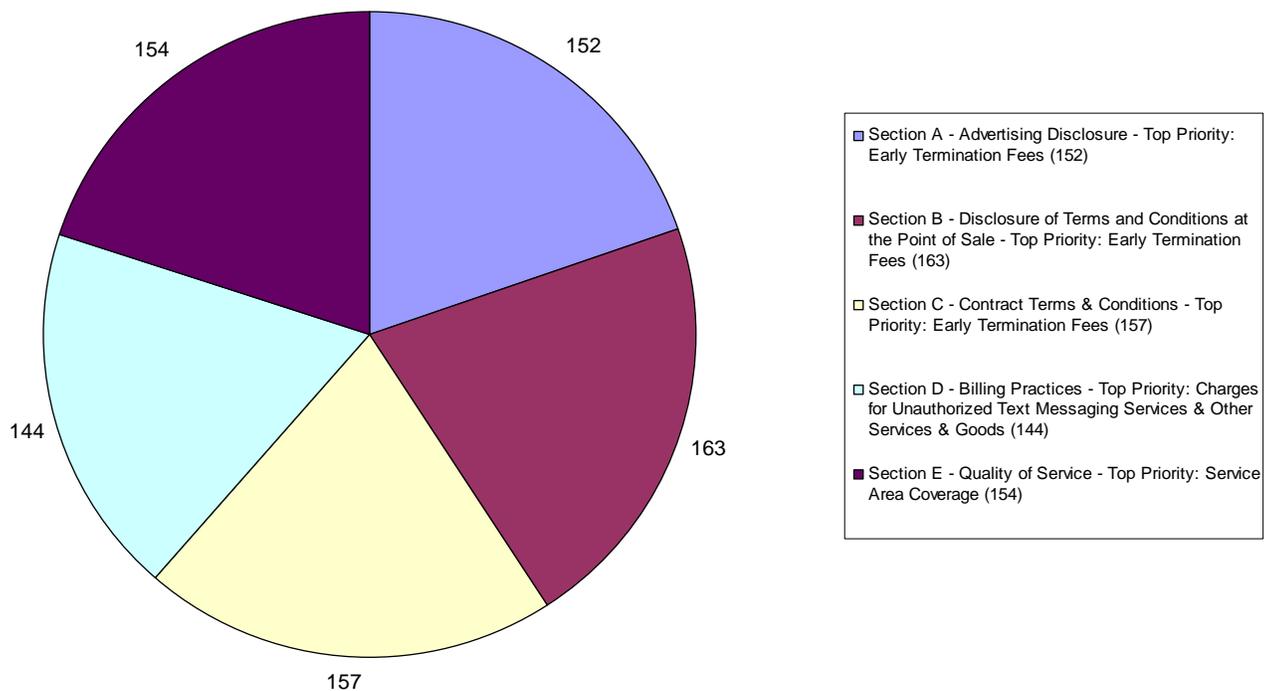
- 0 = No Priority – assigned - 4
- 1 = Lowest Priority – assigned - 3
- 2 = Somewhat of a Priority – assigned + 3
- 3 = Highest Priority – assigned + 4

Applying this scale to the priority rankings produced a numeric value for each response that could be compared across rankings.

C. Survey Results – Top Ranked Priorities for Each Section

Rather than go through the survey results for each section in detail, we will focus on the top-ranked priorities from each section (See Summary Chart 1).

Summary - Top Priority Question in Each Section Chart 1



[1] *Early Termination Fees:*

Early Termination Fees (ETFs) were the top priority in three of the five survey sections (*Section A: Advertising Disclosure; Section B: Disclosure of Terms & Conditions at the Point-of-Sale; and Section C: Contract Terms and Conditions*). Early Termination Fees have been the target of action by State AGs, public utility commissions, and class action suits for years. In 1992, the FCC undertook a review of the rationale for early termination fees and found them legitimate at that time.¹² But although the telecommunication industry and wireless marketplace in particular, has undergone tremendous transformation and growth,¹³ the FCC only recently decided to open proceedings to revisit this issue. Multiple survey respondents expressed the need for the FCC to complete its review of the rationale for ETFs in light of industry changes.

The fact that ETFs were ranked a top priority across three sections of the survey indicates the level of concern that remains even as wireless services have exploded and an estimated 17 percent of homes have cut the wireline cord in favor of wireless.¹⁴ Many have raised concerns that long-term contracts coupled with early termination fees of \$150 or more virtually eliminate the average consumers' option to change service providers. Since 1992, growth in the use of ETFs has brought increased scrutiny of, as well as challenges to, their legality.¹⁵ In July 2008, a California State judge found Sprint's early termination fees violated State law. Alameda County Superior Court Judge Sabraw ordered Sprint to pay California mobile-phone consumers \$18.3 million as part of a class-action lawsuit challenging Sprint's ETFs.¹⁶ In 2007, at the end of a lengthy State proceeding, Cingular Wireless (now AT&T Mobility) also agreed to an \$18.5 million settlement with the California Public Utilities Commission on ETFs.¹⁷ However, in other court cases the imposition of ETFs has been upheld.¹⁸

In response to pressure from State and federal legislators, regulators and consumer demand, the major wireless carriers have started prorating part of their ETFs over the life of the contract. Since completion of this survey in December 2008, most national carriers also now offer a trial period within which a consumer can cancel the service without penalty. The length of trial periods may vary from carrier to carrier from 10 to 45 days and the rate at which ETFs are prorated varies. In most cases, a reduced but not negligible ETF survives to the last day of the contract.

¹² See *In re Bundling of Cellular Customer Premises Equipment and Cellular Service*, Report and Order, 7 F.C.C.R. 4028-30 (1992).

¹³ The wireless industry is an unqualified success story. The industry touts over 260 million subscribers, an 84% penetration level and over \$140 billion in annual revenues. Stats from CITA website: http://www.ctia.org/media/industry_info/index.cfm/AID/10323. Downloaded March 24, 2009.

¹⁴ Statistics taken from CTIA's webpage at: http://www.ctia.org/media/industry_info/index.cfm/AID/10323. Downloaded March 24, 2009.

¹⁵ Robert J. Seraphin et. al. vs. AT&T, Inc., d/b/a AT&T Internet Services and AT&T Entertainment Services U.S. District Court in Idaho, Case # 1:09-cv-00131-REB, filed March 23, 2009.

¹⁶ Ramzy Ayyad vs. Sprint Spectrum, LP, Superior Court of California, Case No. RG03121510, Available at: <http://apps.alameda.courts.ca.gov/domainweb/service?ServiceName=DomainWebService&PageName=itree&Action=21704699>.

¹⁷ California PUC Press release on settlement: http://docs.cpuc.ca.gov/published/News_release/65619.htm

¹⁸ Anderson v. Nextel Partners, Inc., 745 N.W.2d 464 (Iowa 2008).

[2] *Charges for Unauthorized Text Messaging Services (Cramming):*

The highest ranked priority in *Section D: Billing Practices* was charges for unauthorized text messaging services and for other services and goods. Billing practices have long been an issue in the telecommunications industry. Stories of consumers unexpectedly receiving large bills for texting and other related/bundled services are well documented.¹⁹

NARUC's member commissions have partnered with the FCC to deter cramming and spamming abuses. Many billing practice issues raised in the survey are ostensibly covered by the FCC's Truth-in-Billing rules. However, thus far, the FCC's enforcement efforts have not been very effective. Wireless carriers were initially exempt from some of the Truth-in-Billing rules. The FCC is considering additional billing rules for both wireline and wireless providers, but no final action has been taken.²⁰

[3] *Service Area Coverage Maps/Dropped Calls:*

The top priority in *Section E on Quality of Service* was service area coverage. Most commenters were in agreement that carriers should provide street-level coverage maps. It was suggested that average signal strength and/or percentage of dropped calls in a given area should also be made available so that consumers can determine the actual level of service where they live and work.

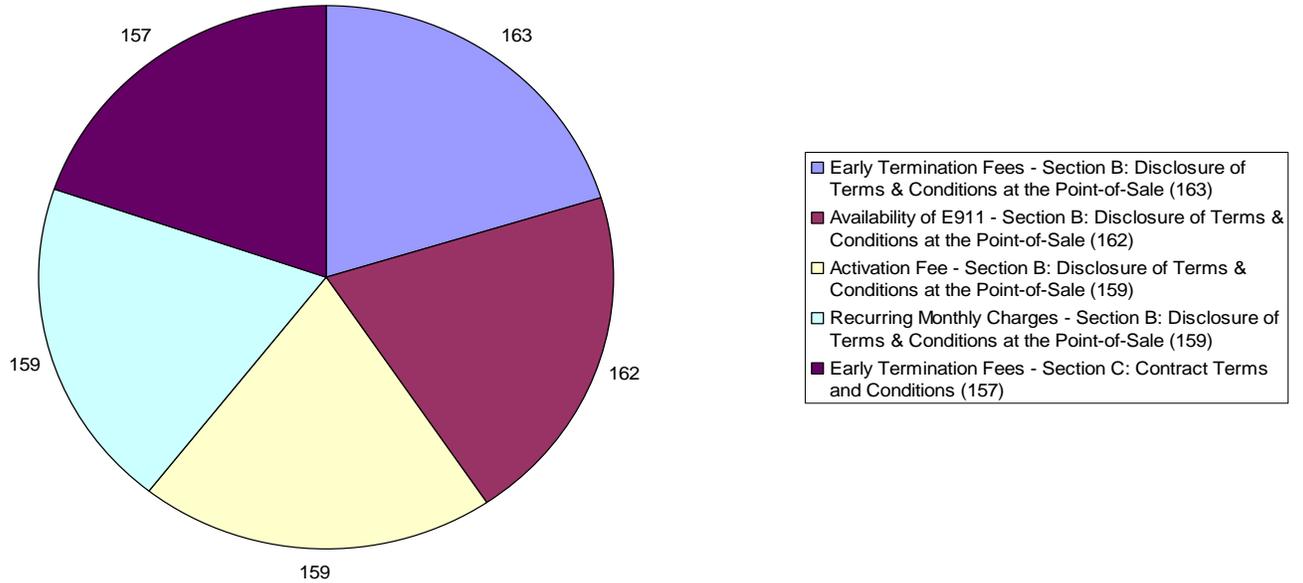
D. Survey Results – Top Ranked Priorities Overall

Of the top five highest ranked priorities across the whole survey, four were from *Section B on Disclosure of Terms and Conditions at the Point-of-Sale* (See Summary Chart 2). Multiple commenters gave priority to disclosure of all the items listed in Section B and suggested that terms and conditions be disclosed online or in advance in writing to allow review away from the pressure of a salesperson in a crowded store. Consumers might then compare contracts offered by competing carriers. The more opportunity consumers have to compare the differences between calling plans and contract terms and conditions the more informed decision consumers will be able to make when choosing among wireless communications services and plans.

¹⁹ See UCAN report at <http://telephonyonline.com/external.html?q=http://tinyurl.com/amsr9z>; “Dad Hammers Wyoming Teen’s Phone After Mega-bill,” Denver Post, 04/08/09, http://www.denverpost.com/breakingnews/ci_12097656; and “What Carriers Aren’t Eager to Tell You about Texting”, *New York Times*, December 28, 2008. http://www.nytimes.com/2008/12/28/business/28digi.html?_r=1

²⁰ *FCC Record, Volume 20, No. 08, pages 6448 – 6480, March 16-March 25, 2005.*

Summary Chart 2 - Overall Top Ranked Questions



Early termination fees were ranked the number one (Section B) and number five (Section C) highest overall priorities by respondents respectively (See Chart 2). Though some providers have moved to prorate ETFs and offer customers a short trial period in which to cancel service without penalty, significant concern remains. The other top priorities from Section B were availability of 911, activation fees, and recurring monthly charges.

[e] Final Comments

Survey Section F provided respondents the opportunity to submit general comments to elaborate on their responses or to bring up priorities not referenced in the survey. The other sections of the survey also allowed for comments. See Appendix B.

Major concerns include adequate disclosure of information to consumers, enforcement of consumer protection laws, and inefficient preemption of State authority. It was evident that disclosure of all relevant information on coverage, service plans, rates, fees, contract terms and conditions was respondents' highest priority.

Comments from wireless companies and industry associations uniformly suggested there is no need for additional national consumer protection standards, citing the competitive nature of the industry, and in some cases, *the existing State and federal mechanisms for consumer relief*.²¹

Specific comments to the survey suggest:

[1] State enforcement is a necessary component of any legislation setting national wireless consumer protection standards. States must be allowed to enforce any national standard. State and local officials are closer to the consumer and likely to learn of emerging abuses long before they reach federal officials. Even where federal minimum standards are appropriate, respondents consistently point out that because of time and distance differences, State/local governments are better positioned to respond quickly to consumer complaints. It makes no sense to take any State cops off the beat. Some comments indicate support for meaningful, comprehensive national standards but only if they do not impact existing State authority to protect consumers or institute new protections (or assure new protections are instituted) as circumstances warrant.²² At least one commenter pointed out that national

²¹ CTIA's response details "the current State of pro-consumer standards in the wireless market, as well as some recent advances the industry has introduced in response to consumers' constantly evolving needs and expectations." See, *December 31, 2008 Letter from CTIA- The Wireless Association's Steve Largent to Commissioner John D. Burke*, at 1. Significantly, in making the case for inaction, this letter points out, at 12, the important role State authorities currently play in assuring consumer satisfaction: "consumers also have the option to contact their State Public Utility Commission, Attorney General's office, or the Federal Communications Commission when a problem arises with their wireless service." Later, CTIA points out "[t]his is another example of how the wireless industry works to ensure that customers are satisfied with their wireless service and that State regulatory commissions have they have the tools they need to meet that goal." See also, *January 22, 2009 from Mobile Future's Chairman Jonathan Spalter to Commissioner John Burke*, at 2: "If it could be shown that the wireless industry's growth had somehow curbed choices for consumers, there might be a possible argument for new regulation. However, we suggest, that the evidence is overwhelming that the industry's growth has produced a remarkably fast expansion of consumer choices." See, *NARUC WIRELESS CONSUMER PROTECTION STANDARDS SURVEY Submission by AT&T Inc.*, at 5, "as demonstrated, the presence of multiple wireless carriers in the market provides a natural and competitive form of consumer protection – in addition to existing federal laws and State consumer protection laws of general applicability."

²² See, e.g., the following responses from Section F [1] "*First, while comprehensive and effective national standards may be valuable they can't serve as a means to preempt a state's ability to protect consumers. This effort should not be a move to preemption of a State's ability to set higher or tougher standards, including standards on elements not considered by the national effort. Second, our answers would be different if a wireless company was serving as a Carrier of Last Resort or offering services as an Eligible Telecommunications Carrier. In circumstances where customers may not have the option to choose reasonably priced wireline voice service, regulation,*" [2] "*Any national wireless consumer protection standards adopted must be enforceable by the States (in addition to the federal government) in either State court or before the State utility/telecom commission as each State deems appropriate.*" [3] "*We oppose federal pre-emption of State rules and remedies for telephone service. The FCC should set broad minimum standards nationally that States may exceed or augment. Many of the standards and rules are best promulgated on a national basis such as forbidding ETFs, and outlawing the locking of phone handsets (a frequent source of consumer fraud/bait-and-switch). It is, however, appropriate to allow the enforcement of these rules to occur at the local and State level, as State and local agencies are most likely to hear from and respond to consumers, and are the most effective agents for consumer protection and enforcement actions.*"

standards must not compromise State authority where the wireless carrier is designated an Eligible Telecommunications Carrier or if it serves as a Carrier of Last Resort. *Id.*

[2] **Federal legislation setting national standards should not dictate specific State enforcement methods or penalties.** Each State has its own agencies, enforcement mechanisms, and penalties. There is no reason to restrict constituent remedies or limit deterrence by constraining State enforcement options. States should be allowed to utilize existing enforcement mechanisms and procedures. Consumers are increasingly relying on wireless and other technologies to replace traditional phone service. As consumers migrate to wireless, their expectations for responsive (and local) consumer protection options is unlikely to change. *Id.*

[3] **There must be some mechanism to address emerging abuses.** The problem of emerging abuses and the need for flexibility to address them was common thread among some responses. One example of a State taking action to address a regional issue that would likely not require a federal standard is California's rule on foreign languages. California requires carriers marketing a service in a foreign language to provide service contracts in that language. This rule makes perfect sense in a State or region with large immigrant populations. Providing States with authority to address issues specific to their region and situation ensures that consumers are protected while keeping carrier obligations to a minimum.²³

[4] **Clear, concise and complete disclosure of information at the point of sale are critical.** The most obvious and common suggestion in these responses was the need for clear and complete disclosure at the point of sale. Early termination fees also remain a concern despite some movement by industry to prorate ETFs and provide trial periods.²⁴

²³ See comment [2] in footnote 23. Note NARUC's views on residual State authority as well as an explicit mechanism to reform national rules to address emerging abuses is outlined in the attached resolution in Appendix E and discussed in footnote 9 *supra*.

²⁴ See, e.g., the following response from Section F: "Federal regulation should focus on ensuring that consumers are fully aware of all important contract terms and conditions, including all costs associated with service, automatic renewals and termination fees, service coverage and signal strength in the consumer's residential area, and costs associated with equipment, so that consumers may take advantage of competition by being able to compare various carriers' service offerings. Federal regulations should also establish minimum standards for billing practices, service quality, provision of E911 services, and consumer complaint procedures."