

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of)	
Measures Designed to Assist US Wireless)	CG Docket No. 09-158
Consumers to Avoid Bill Shock)	
)	

REPLY COMMENTS OF AT&T, INC.

The comments filed in this proceeding demonstrate beyond any doubt that wireless carriers already provide an ample array of tools that enable customers to monitor and control their wireless usage.¹ These tools are readily available, easy to use, and accessible from the customer's wireless device and online.² To develop and implement these tools, the wireless industry has invested millions of dollars in information technology systems, network improvements, and training. Moreover, efforts are on-going to improve carriers' delivery of these services to customers.³

Carriers who filed in this proceeding described the methods they use to keep customers abreast of their wireless usage. Like AT&T, most of these carriers use a mix of alerts, online support tools, and text messages to provide customers with information about account balances

¹See, Comments of CTIA at 6-7 for a chart outlining many of the measures carriers take to inform their customers about the products and services offered and to provide them with the tools to monitor and control their usage.

² In the case of AT&T, even if the customer ignores the tools and goes beyond his monthly allotment, he can still call customer care and change to a more appropriate service plan and avoid overage charges in that billing period.

³ Pre-paid wireless service, while a low-tech approach to controlling usage, is extremely effective, simple to use, and entirely in the control of the customer. AT&T offers pre-paid services and also provides alerts for data usage on pre-paid voice accounts.

and voice and data usage.⁴ All recognize that these tools are part of good customer service and that the competitive environment in which they operate requires them to develop the tools that best serve the interests of customers. While some commenters are disconcerted that rivalry and innovation have brought about a lack of uniformity among carriers' practices,⁵ it is nonetheless the surest means by which the best set of consumer tools will be found and improved. Indeed, variation in the tools available to consumers is no different from variation in rate plans: both are part and parcel of the process by which carriers strive to differentiate themselves from their competitors in a hotly competitive marketplace.

To be sure, a customer may occasionally be surprised by a wireless bill, just as he may be surprised by an electric or gas bill or a credit card bill. But that is not, in itself, a sound basis for imposing new government regulations. There are many reasons why customers might be surprised by a bill. Some may not be taking the steps they could to limit usage in accordance with their chosen service plan. In that regard, many, or most, may not be availing themselves of the tools that are readily available to them to track their usage and prevent overage charges on their monthly bill. Absent a finding that these tools are inadequate – a finding that is belied by the record – the FCC should not impose on wireless carriers and their customers the costs of new regulations in this area. In that regard, the FCC should keep in mind that the very same survey that is animating this proceeding found extraordinarily high levels of customer satisfaction with

⁴ See, e.g. Comments of Verizon Wireless at 2-10; Comments of Sprint Nextel at 3-6; Comments of T-Mobile at 4-8

⁵ Comments of the Center for Media Justice, Chicago Media Action, Consumers Union, Esperanza Peace and Justice Center, Media Access Project, Media Alliance, Media Justice League, Media Literacy Project, National Alliance for Media Arts and Culture, National Hispanic Media Coalition, New America Foundation, People's Production House, Public Knowledge and Reclaim the Media at 6

wireless services and providers, as have other surveys.⁶ Indeed, there are few American industries that can claim such impressive levels of satisfaction among their customers.

AT&T has been in the forefront of bringing customers more and better tools with which to monitor and control their wireless usage. As explained in its comments, AT&T provides alerts to its customers at the time they reach any applicable limit on their messaging or data usage, and it additionally provides advance warning to Smartphone data customers when they reach 65%, 90%, and 100% of their monthly data allotments.⁷ AT&T also suspends certain data or messaging accounts⁸ if the customer goes beyond certain limits without having first responded to messages from AT&T's customer care department. Beyond that, all customers can check their

⁶ Federal Communications Commission, News Release, *FCC Survey Finds 4 Out Of 5 Americans Don't Know Their Broadband Speeds*, available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-298525A1.doc (June 1, 2010) found that 92% of American consumers are satisfied with their wireless carrier. The General Accountability Office found “[i]n response to the areas of consumer concern . . . , wireless carriers have taken a number of actions in recent years. For example, officials from the four major carriers, Verizon Wireless, AT&T, Sprint Nextel, and T-Mobile, reported taking actions such as prorating their early termination fees, offering service options without contracts, and providing Web-based tools consumers can use to research a carrier's coverage area, among other efforts.” GAO, *Testimony Before the Committee on Commerce, Science, and Transportation, United States Senate: Preliminary Observations about Consumer Satisfaction and Problems with Wireless Phone Service and FCC's Efforts to Assist Consumers with Complaints*, available at <http://www.gao.gov/new.items/d09800t.pdf> (June 17, 2010). The American Customer Satisfaction Index found that wireless customer satisfaction set an all-time high for the second straight year. American Customer Satisfaction Index, ACSI Commentary May 2010, http://www.theacsi.org/index.php?option=com_content&task=view&id=216&Itemid=230. And a Better Business Bureau found that 97.4% of all customer complaints about wireless service were resolved. BBB of Northeast Florida: News Center, *Complaints to Better Business Bureau Up Nearly 10 Percent in 2009*, <http://northeastflorida.bbb.org/NewsStory.asp?sid=100308Cmpl> (March 8, 2010).

⁷ In its comments, AT&T described in detail the usage alerts provided not only to Smartphone users, but also to the users of feature phones, customers who subscribe to pay-as-you-go data and messaging service plans, and lap top card users. See, Comments of AT&T, Inc. at 4.

⁸ The data plans for Smartphones provide alerts at 65% and 90% of usage and again upon reaching 100% of the allotment. Smartphone customers who go beyond their monthly allotment are automatically given an additional allotment of usage and receive a notification of the allotment and its charge. AT&T fully describes these conditions to the customer before he commits to service.

current usage and account balance by means of a few key strokes on the wireless device, which prompts AT&T to send a text message with usage and balance information. All of these services are provided at no charge. Customers can also obtain usage and account information online through AT&T's myWireless online account manager service, which also is available at no charge.

Indeed, as AT&T previously detailed, AT&T begins the process of educating its customers about their service and what to expect on their bill even before they sign up for service. At the point of sale, AT&T offers customers the Customer Service Summary ("CSS"), which ensures, before a customer signs up for service, that he fully understands any usage limitations and costs that may apply. Each potential customer's CSS explains the features of the rate plan he has selected and the other terms of service. The CSS also includes a sample detailed, itemized estimated first bill as well as a sample subsequent bill to ensure that each potential customer knows what to expect.⁹ AT&T representatives review the CSS with each potential customer before the customer signs up for service. In this manner, before they have committed to AT&T service, customers are made aware of all relevant information about the service plans and features they have chosen and how the billing for these features will appear on their monthly bill.

AT&T's practices and policies also help its customers avoid excessive roaming charges when they travel abroad. (AT&T does not assess roaming charges when its customers use their wireless devices anywhere within the 50 states, Puerto Rico and the U. S. Virgin Islands.) In particular, AT&T provides a number of different resources at www.att.com/global to help cus-

⁹ An example of a CSS was attached to AT&T's comments as Attachment 1.

tomers plan how to use their wireless devices while travelling internationally.¹⁰ This site includes information on how to get the best international voice and data rates based upon planned destinations, and offers tips and tutorials for customers going abroad. The information provided includes

- Know Before You Go: www.wireless.att.com/learn/international/roaming/know-before-you-go.jsp
- Verify Rates: www.wireless.att.com/learn/international/roaming/international-roaming.jsp
- Travel Guide: www.wireless.att.com/learn/international/roaming/travel-guide.jsp
- FAQ on International Roaming:
www.wireless.att.com/learn/international/roaming/faq.jsp

Customers also have the option to call customer service at any time to have international roaming blocked. To help customers track and manage data usage overseas, iPhone users can use the device's Usage Tracker option. Laptop users can view data usage in the Communications Manager window on their screen. As with domestic service, AT&T customers will receive data usage alerts while abroad.

Despite all of these measures by AT&T and the wireless industry as a whole, a few commenters have still found grounds for complaint. The Center for Media Justice and its allies ("Media Justice"), for example, maintain that carriers' current disclosures about their services are insufficient and require FCC action.¹¹ They also argue that overage charges are not adequately identified on carriers' bills. In AT&T's case, these claims are entirely untrue; indeed, AT&T offers more alerts and notices

¹⁰ See, Comments of AT&T, Attachments 5 through 10.

¹¹ Comments of the Center for Media Justice, Chicago Media Action, Consumers Union, Esperanza Peace and Justice Center, Media Access Project, Media Alliance, Media Justice League, Media Literacy Project, National Alliance for Media Arts and Culture, National Hispanic Media Coalition, New America Foundation, People's Production House, Public Knowledge and Reclaim the Media at 4-5.

than Media Justice argues for in its comments, and AT&T clearly identifies any overage charges on its bills.¹² AT&T also offers a variety of convenient tools for its data plans¹³ to prevent unplanned overages.

Media Justice further complains that carriers do not clearly disclose on their websites all applicable charges associated with their various service plans.¹⁴ Again, as to AT&T, that is simply untrue. AT&T's website provides comprehensive details about each of its service plans, including the terms, monthly fees and any applicable overage charges associated with each plan. Moreover, the service plans are arrayed in a manner that permits rapid comparison of the plans and their features. Contrary to Media Justice's broad brushed charge that consumers must "scour" a provider's website to find all of the charges associated with a service plan, AT&T's website presents the service plans, equipment, and features in a direct, easy-to-understand format that gives customers the means to choose the plan that best suits their needs. Of course, there are third party tools as well that enable customers to evaluate, not only the options offered by a particular carrier, but compare them with the offerings of other carriers. Consumer Reports and www.letstalk.com are but two examples.

¹² "To protect consumers, the Commission should require wireless providers to supply automatic and free usage notifications directly to a subscriber approaching monthly usage limits for voice, text, and data services. Where possible, this notification should take the form of a free text message, a method already widely used by many providers to supply marketing and service information." Comments of Media Justice at 7. AT&T provides these and other alerts. In addition, customers can check minutes used, data used and account balances at no charge from their wireless devices.

¹³ Among these tools are Smartphone usage alerts at 65%, 90% and 100% of the monthly allotment; a data usage calculator; and myAccountApp. See, Comments of AT&T at 4-7 for a detailed discussion of AT&T's many

¹⁴ Comments of Media Justice at 3-4. This objection has nothing to do with the questions posed in the Public Notice. See, DA 10-803 (Released May 11, 2010).

Other comments object to carriers' charging a fee for usage alerts and tools.¹⁵ AT&T does not, in fact, charge a fee for usage alerts and other tools by which customers may stay abreast of their usage.¹⁶ However, developing and implementing these tools consumes considerable resources, and there is no public policy reason why carriers should not be able to recover the costs of doing so from those who use these tools. In the vigorously competitive wireless marketplace, it should be up to each carrier to determine whether and how much to charge for these services, just as each carrier develops its own rate plans and rates for the other services they offer.

A few commenters make the remarkable argument that customers should not be required even to pay attention to their own usage.¹⁷ AT&T submits that consumers must take a certain level of responsibility for their own usage. To be sure, consumers must have the tools necessary to exercise that responsibility, but it is not the province of government to relieve consumers of the need for exercising that basic level of responsibility. And, in all events, to the extent those commenters believe carriers should give consumers the option of having their service automatically cut off when they exceed certain charges, that option already is available to consumers via prepaid service. Prepaid service options are increasingly available to customers at extremely low

¹⁵ See, e.g. Comments of Consumer Action and the National Consumer League ("Consumer Action") at 3.

¹⁶ As Consumer Action notes, AT&T does charge \$4.99 per month for its Smart Limits for Wireless service, which enables parents to set limits on a child's use of a cell phone. Consumer Action does not explain, however, why those who use the service should not bear the costs of providing it.

¹⁷ See, e.g. Comments of Utility Consumers' Action Network ("UCAN") at 13 ("If a customer has reached his or her monthly cap, the provider should disable the customer's wireless services unless he or she has indicated on the account management page that the customer does not want wireless services disabled when he or she reaches a monthly cap."); Comments of Consumer Action at 1 ("Current mechanisms for addressing 'bill shock' are dependent on consumers proactively deciding to use carrier-provided monitoring and notification services, often in exchange for a monthly fee.")

rates, and customers have been flocking to prepaid service plans.¹⁸ In recent years, innovation and price competition in the prepaid wireless market have attracted customers who seek the cost control that prepaid service offers. In addition, customers who want wireless service without the requirement of a contract, a monthly bill or a credit check are also attracted to prepaid services.¹⁹

CONCLUSION

Comments filed in this proceeding make it clear that wireless consumers have access to a wide variety of tools that enable them to monitor and control their wireless usage. The intense competition in the wireless marketplace has already produced innovative means to help customers manage their wireless accounts. This process will continue to produce more and better solutions unless stymied by a regulatory mandate whose effect is to homogenize customer service and freeze further improvements.

Those commenters arguing for increased regulation appear unaware of the plethora of tools already available to consumers who wish to track their usage and protect themselves against overage charges. Indeed, AT&T already provides more and better tools than many of these commenters urge upon the Commission. There is thus no basis for any finding that cus-

¹⁸ *In the Matter of Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993 Annual Report and Analysis of Competitive Market Conditions With Respect to Mobile Wireless, Including Commercial Mobile Services*, WT Docket No. 09-66 (Fourteenth Report released may 20, 2010) at ¶ 109 *et seq.*

¹⁹ *Prepaid wireless service could spur price war* available at http://news.cnet.com/8301-1035_3-10234062-94.html; *J.D. Power and Associates Reports:NET10 Ranks Highest in Customer Satisfaction among Non-Contract Wireless Users While Pay-as-You-Go Non-Contract Plans Have Higher Levels of Satisfaction, Non-Contract Monthly Plan Offerings Grow* available at <http://businesscenter.jdpower.com/news/pressrelease.aspx?ID=2009134>

tomers have not been given the tools to protect themselves from overage charges. And absent any such finding, there is no basis for new prescriptive regulations.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I, Shandee R. Parran, hereby certify that on this 19th day of July 2010, a copy of AT&T's Reply Comments filed in CG Docket No. 09-158 was served First Class U.S. Mail postage prepaid to the following:

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