

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

In the Matter of)	
)	
Empowering Consumers to Avoid Bill Shock)	CG Docket No. 10-207
)	
Consumer Information and Disclosure)	CG Docket No. 09-158

COMMENTS OF ALASKA COMMUNICATIONS SYSTEMS

Alaska Communications Systems (“ACS”)¹ submits these comments in response to the Notice of Proposed Rulemaking (“NPRM”) issued by the Federal Communications Commission (“FCC” or “Commission”) in the above referenced dockets on October 14, 2010. In its Notice, the Commission proposes rules addressing perceived issues associated with increases in wireless bills not related to plan changes. The Commission seeks comments on its proposed rules.

I. INTRODUCTION AND SUMMARY

ACS supports the Commission’s objective of providing consumers with adequate and timely information needed to manage their wireless accounts. ACS has already taken measures to assist consumers in understanding their usage patterns. While committed to providing customers with needed account management information, ACS believes that consumers prefer to use such information at their discretion and not to be inundated with a barrage of unwanted alerts, text messages and other forms of mandated communications. As such, ACS objects to the Commission’s proposed rules to the extent that they create an entirely new category of “regulatory SPAM”.

¹ Alaska Communications Systems in this proceeding represents ACS Wireless, Inc., a licensed wireless provider serving consumer, business and enterprise customers in the State of Alaska and beyond using its statewide and interstate telecommunications network.

If the Commission adopts the rules, it should not apply them to smaller, regional wireless providers. For these carriers, implementing the rules will be disproportionately costly, particularly when compared to the limited incremental value that “layers” of alerts may produce for their customers. The competitive marketplace will encourage smaller providers to adopt their own alert procedures if their customers really do want this service. At the very least, the Commission should defer applying the rules to Tier II and Tier III carriers to give third party developers time to create “apps” to fill this niche. Finally, the Commission should not apply the rules to prepaid services which already provide customers’ maximum account management.

II. COMMENTS

General:

The Commission proposes to address perceived “bill shock” by creating a layered system of mandatory provider alerts in a variety of forms and formats. The alerts could occur at multiple points in the billing cycle and would be required regardless of whether the customer actually wanted them. Such an alert system is reminiscent of the unsolicited telephone calls customers receive – typically at dinner time – from appliance retailers advising that their product warranties are about to expire. While these reminders may provide some limited value to a small subset of consumers, most customers consider them an annoying intrusion. The Commission’s proposed obligatory alert system is likely to generate the same reaction.

Impacts on Smaller Providers:

If small and regional wireless providers have not already deployed them, a layered alert system is likely to increase their costs significantly. The corresponding benefit will be extremely small – alerts will generate minimal value for a small segment of the market that might actually want them.

Based on ACS' experience, the Commission's objectives can be addressed in a better and much more cost effective manner. The Commission should exempt Tier II and Tier III wireless providers from any mandatory usage alert requirements. Some small carriers, such as ACS, already offer customers the ability to determine the extent of their actual monthly usage on a real time basis. Our experience shows that only a small minority of customers have any interest in this information. Nevertheless, our customers already have a tool they can use to decide whether to curtail usage to avoid overage charges. Customers can easily check usage, and decide for themselves if they want to limit it.

If it proceeds with mandatory alerts, the Commission should exempt small/regional carriers from the more complex and costly layered alert mechanisms discussed in the NPRM. Exempting smaller carriers is reasonable for many reasons. First, smaller carriers already face daunting economics in a marketplace dominated by AT&T and Verizon. Forcing smaller carriers to deploy these systems will simply "pile on" market disadvantages, given their inability to spread costs the way large carriers can. Second, if the Commission imposes alert rules on larger providers, and if customers really want them, smaller providers will have to offer them to remain competitive. At the very least, deferring application of the rules for small and regional carriers makes sense to give third-party vendors time to step forward and offer their own "apps". The market will create a lower cost solution if customers have the demand.

Pre-Paid Services:

The Commission should not apply the rules to pre-paid services. Pre-paid service already offers the ultimate form of account management. The customer can purchase exactly what is desired and nothing more. Once the limit of the pre-paid service is reached, no further service – and therefore no further charges – can be authorized without the customer taking some affirmative action

to “recharge” the account. Given the absolute self-governing nature of pre-paid services, they should be categorically removed from the new rules.

III. CONCLUSION

The Commission’s proposed mandatory layered alert system would create a more costly and regulatory approach than necessary to address customers’ need for monthly usage information. The record shows that during the first six months of 2010, the Commission has received 764 wireless billing complaints from a customer base of approximately 295 million users.² Instead, the Commission should focus on making necessary account management information available and rely on consumers’ good judgment to modify their behaviors as needed.

Even if the Commission determines that it is necessary to impose new and costly alert systems, it should not hold small and regional entities to the same standards that it applies to larger wireless carriers. The market will incent smaller carriers to deploy alerts on their own terms or encourage third-party developers to design usage tracking applications that are far more robust and less costly than modifying wireless network systems. Finally, pre-paid services already produce the highest level of account management and should be excluded from the scope of the new rules.

Respectfully submitted on this 27th day of December, 2010.

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² *In the Matter of Empowering Consumers to Avoid Bill Shock; Consumer Information and Disclosure*, CG Docket No. 10-207; CG Docket No. 09-158, Statement of Commissioner Robert M. McDowell, October 14, 2010.