

Before the  
Federal Communications Commission

Washington, DC 20559

In the Matter of

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

Notice of Proposed Rulemaking

Comments of  
AARP

January 3, 2011

Submitted by

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AARP appreciates the opportunity to respond to the Federal Communications Commission's (FCC) Notice of Proposed Rulemaking, CG Docket No. 10-207, Empowering Consumers to Avoid Bill Shock, and CG Docket No. 09-158, Consumer Information and Disclosure. AARP believes that advanced notification to the consumer of wireless charges is an essential consumer protection for today's wireless phone market and empowers consumers to avoid Bill Shock.

Founded in 1958, AARP is a nonprofit, nonpartisan membership organization that helps people age 50 and over improve the quality of their lives. AARP has offices in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. For more than 50 years, AARP has been serving its members and creating positive social change through information, advocacy and service. AARP's interest in affordable utilities derives from our research and advocacy on behalf of consumers for strong wireless consumer protections in billing and usage.

We find it not surprising that a recent FCC Survey indicated that 30 million Americans -- or one in six mobile phone users -- have experienced "bill shock," a sudden and unexpected increase in monthly bills that is not caused by a change in service plans. As noted by this study, bill shock can occur for a number of reasons, including unclear or misunderstood advertising, unanticipated roaming or data charges, and other problems. Most consumers find value in cell phone technology and its capacity to keep them connected, but many consumers also have strong negative opinions about the service that their wireless carrier provides.

One indicator of cell phones' growing importance is its exponential growth in the number of wireless subscribers in the US over the past 15 years -- from 16 million in 1994 to more than 290 million today. For many of these consumers, including many older consumers, the cell phone has become an indispensable tool of modern life. With a cell phone, consumers have more freedom and flexibility to stay connected with family and friends, conduct business, and coordinate their schedules. Moreover, a cell phone is a safety device in the event of an emergency, empowering people with a sense of security and confidence

that help is always nearby. Unfortunately, this growth in use has also been accompanied by a growth in consumer complaints, including complaints from older Americans. The FCC's survey showed that twenty two percent of the respondents who said that they had experienced bill shock were age 50 and older.

The wireless phone industry's growth has been accompanied by widespread unfair, misleading, and deceptive business practices and, as a result, chronic consumer frustration with wireless service. In fact, Better Business Bureau (BBB) data show that customers filed 37,477 complaints about cell phone companies in 2009, which means that for the sixth consecutive year more people complained to the BBB about cell phone companies than any other industry in the country. Moreover, the Council of Better Business Bureaus (CBBB) says that nearly two-thirds of all cell phone complaints include billing problems.

Continued consumer complaints, as well as survey data, clearly show that voluntary industry guidelines and/or promises that a competitive market place will solve the bill shock problem have been ineffective. Consumers should be able to purchase a level of service that meets their daily needs at a reasonable price, and no one should have to forgo other necessities -- such as medicine and food - - or risk termination of service due to unexpected, excessive charges.

Comments on Specific Sections:

AARP is generally supportive of the more than 30 sections of the NPRM that offer background or seek comment. Of these sections, we wish to address the following:

#19. AARP agrees that although some wireless providers offer technological tools that allow consumers to limit usage, the effectiveness of these offerings is limited by opt-in requirements and, in some cases, additional fees for such offerings. Customers do not have clear and accessible disclosures of how to access these self-help features to prevent overages, whether additional fees apply, etc.

#20. AARP concurs that providers should actively provide consumers with notification messages to assist them in managing the costs of using their service and ensure that subscribers are not shocked by overage or

roaming charges. Notification alerts that are currently available in today's market vary among providers; types of services covered and rate plans. Some smaller providers currently provide usage data, as well as notification alerts in varying stages. Some provide notification alerts as early as 75%, with subsequent notification every 5% up to 100%, as the subscriber approaches the plan's allotted limit for voice, text, or data usage. We can only conclude that the notification technology currently exists and is successfully utilized by some providers; and that notifications can and should be provided in "real time or near real-time," by the major carriers. Further, such notifications can easily be adapted to multi-line family plans with notification to each line by voice and text, as well as to a pre-designated "main" line for the plan.

#25. AARP maintains that usage alerts would help traditional prepaid customers manage their usage and ensure they did not run out of service at a time when they were unable to purchase additional minutes. We ascertain no difference in the need for informed choice and consumer protections for bill shock in the traditional pay-as-you-go and unlimited prepaid services.

While these measures will help to mitigate bill shock, some consumers may still incur unexpected costly charges, and they typically find that the surprise of unexpected costs is compounded by the realization that they are locked into their contract. AARP recommends that consumers need to be able to cancel, without penalty, any contract for wireless telephone service within a period of at least 20 days after the date of *the first bill for monthly service following service activation*.

The FCC's approval of these measures will allow consumers to understand the costs associated with use of their mobile service plans, take advantage of safeguards against bill shock, and -- with timely and easy access to the information -- better manage their costs. The potential and possibilities of wireless phone technology cannot be overstated, as it can greatly enhance the ability of older Americans to remain independent in their communities, and

provide convenient pathways to the services and activities they need to lead more comfortable and meaningful lives.

Summary:

AARP strongly encourages the FCC to approve the following measures to provide advance notification of unexpected charges and reduce and avoid cell phone bill shock:

- Notification via voice or text alerts whenever a wireless customer approaches and/or reaches monthly limits, as well as to a pre-designated “main” line for the plan.
- Notification when a customer is about to get hit with roaming charges while traveling as well as to a pre-designated “main” line for the plan.
- Better disclosure by service providers of tools available for managing a wireless account, such as online resources or smart-phone apps.
- Allowing consumers to cap usage, thus preventing additional costs;
- Allowing consumers to cancel, without penalty, any contract for wireless telephone service within a period of at least 20 days after the date of *the first bill for monthly service following service activation*.

The costs to consumers resulting from unexpected charges can be significant. Notification is an additional tool that empowers the consumer to fully utilize the benefits of wireless technology without fear of bill shock. AARP recommends the FCC should adopt comprehensive rules to promote informed choice and consumer protection in the wireless telecommunications services market.

AARP appreciates the opportunity to comment in this docket on these essential consumer protections for wireless consumers. Please feel free to contact Marti T. Doneghy of our staff at 202 434-3804 or [mdoneghy@aarp.org](mailto:mdoneghy@aarp.org) if you have any questions.