

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

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

To: The Commission

REPLY COMMENTS OF SOUTHERNLINC WIRELESS

Southern Communications Services, Inc. d/b/a SouthernLINC Wireless (“SouthernLINC Wireless”) hereby submits its reply comments in response to the Commission’s *Notice of Proposed Rulemaking (NPRM)* in the above-captioned proceeding requesting comment on proposed rules that would require mobile service providers to provide usage alerts and other information to assist consumers in avoiding unexpected charges on their bills.¹

SouthernLINC Wireless agrees with the Rural Cellular Association (“RCA”) and other commenters that mandating the implementation of usage alerts and other measures described in the *NPRM* will impose a significant cost burden that will fall most heavily – and disproportionately – on the smaller regional and rural wireless carriers that not only play a crucial role in maintaining a well-functioning marketplace, but which also are essential to making affordable mobile communications services available to all US consumers, including

¹ / *Empowering Consumers to Avoid Bill Shock, Consumer Information and Disclosure*, CG Docket Nos. 10-207 and 09-158, Notice of Proposed Rulemaking, FCC 10-180 (rel. Oct. 14, 2010) (“*NPRM*”).

those in rural and other underserved markets.² Accordingly, adoption of the Commission’s proposed notification requirements may ultimately result in greater consumer harm than consumer benefit. To the extent the Commission should nevertheless adopt such requirements, the Commission should either ensure that these requirements do not unduly burden smaller regional and rural carriers or should defer the implementation of such requirements for regional and rural carriers.

In addition, if the Commission should adopt usage alert or other notification requirements, these requirements should apply only to individual consumers and should not apply to enterprise or government customers, who typically have multiple devices and end users – and even multiple plans – under a single account. The application of any usage notification requirements to enterprise and government customers would be extraordinarily complex and would not contribute to the Commission’s consumer-protection goals.

I. MANDATORY ALERTS AND OTHER OBLIGATIONS ARE NOT NECESSARY

As an initial matter, SouthernLINC Wireless believes that the adoption of a “one-size-fits-all” set of rules and obligations is not necessary in the highly competitive market for retail commercial mobile wireless services. In this market, service providers are compelled to be as consumer-friendly as possible. Regional and rural carriers in particular cannot afford to alienate existing or potential customers and hope to survive against the large nationwide carriers.

In SouthernLINC Wireless’ case, when faced with a new customer who has received a bill that is unexpectedly higher than he or she anticipated, SouthernLINC Wireless will work with the customer to move the customer to a more appropriate rate plan for his or her usage

² / Comments of RCA at 6 – 8; *See also* Comments of the National Telecommunications Cooperative Association (NTCA) at 2 – 4; Comments of the Blooston Rural Wireless Carriers at 1 – 2.

level. SouthernLINC Wireless further provides the customer with the option of applying the rate plan retroactively, in which case the company will issue a new bill as if the customer's newly-selected rate plan had been in effect for the entire billing period. SouthernLINC Wireless has thus been able to ensure the type of customer satisfaction envisioned by the Commission through the individual attention paid to the needs, preferences, and concerns of each customer.

II. THE COSTS OF THE COMMISSION'S PROPOSALS WOULD IMPOSE A SIGNIFICANT AND DISPROPORTIONATE BURDEN ON REGIONAL AND RURAL CARRIERS

While the Commission acknowledged in the *NPRM* that mobile service providers "may need to revise their existing systems to comply with a mandatory usage alert requirement,"³ the Commission may be seriously underestimating the scope of changes that would be required and the significant cost burdens involved, particularly for smaller regional and rural carriers.⁴

The implementation of the Commission's proposed notification and alert requirements would compel most, if not all, wireless carriers to make significant changes to their billing platforms and systems, including, but not limited to, large-scale hardware and software upgrades and replacements, as well as the integration of new and existing databases and other systems used in the operation and management of the network.⁵ Such changes would be expensive, complex, and resource-intensive, resulting in costs that will easily run into the millions of dollars for each carrier, regardless of the carrier's size.⁶

³ / *NPRM* at ¶ 23.

⁴ / *See* Comments of T-Mobile at 16 – 17 and note 40 (questioning the Commission's estimate that implementation of the proposed requirements can be implemented "for less than \$16,000" per carrier).

⁵ / *See* Comments of RCA at 7 – 8; Comments of CTIA at 31 – 32.

⁶ / *See, e.g.,* Comments of RCA at 7 (estimating the cost of implementing the Commission's proposed real-time notifications and alerts to be around \$2 million per carrier); Comments of T-Mobile at 17.

In addition, depending on each carrier's specific network configuration, it could be very difficult – and in some cases perhaps impossible – to implement individualized usage alerts without also implementing extensive network upgrades throughout the carrier's service area in order to address technical challenges (which may be unique to each carrier) to providing mandatory usage alerts via SMS or other methods.⁷ Carrying out the necessary network upgrades would add even further to the already significant cost burden on affected carriers.

As several commenters have noted, not only are the overall costs of implementing the Commission's proposed customer notification mandates extraordinarily high, but they disproportionately burden small and mid-size carriers, who have much smaller customer bases over which these costs can be spread.⁸ Because these costs will ultimately be borne by consumers, either directly or indirectly, the customers of small and mid-size carriers – many of whom are members of rural and underserved communities – will bear a disproportionately larger share of the cost of implementing these mandates.

Moreover, small and mid-size carriers have far more limited personnel and other resources available to implement these requirements. These carriers would be compelled to expend their already limited and finite resources on compliance with the Commission's proposed customer notification requirements rather than on expanding and improving their service offerings and service quality, introducing new services, handsets, and devices to consumers, or carrying out system-wide upgrades to new technology platforms such as LTE.⁹

⁷ / Comments of NTCA at 2; Comments of CTIA at 32.

⁸ / See Comments of RCA at 6 – 7; Comments of MetroPCS at 17 – 18; Comments of the Blooston Rural Wireless Carriers at 2.

⁹ / See Comments of NTCA at 2 and 4.

For some small and mid-size carriers, however, the cost of implementing mandatory usage alerts and other requirements may prove to be what NTCA called “the final nail in the coffin.”¹⁰ According to NTCA, there are some providers for whom compliance would be so expensive “that they would effectively be compelled to exit the line of business rather than make the required upgrades.”¹¹ Similarly, RCA described for the Commission the experience of two RCA members who recently spent millions of dollars on billing system upgrades and who would be “financially cripple[d]” by the additional cost of implementing automated usage alerts.¹² The forced departure of smaller carriers from the wireless market would not only reduce the number of competitors, thus reducing consumer choice among service providers, but in some cases may eliminate the only service provider option available to consumers in rural and underserved markets.

As described above, the costs of implementing the Commission’s proposed usage alert requirements would impose significant burdens that may ultimately result in much greater consumer harm than consumer benefit. SouthernLINC Wireless therefore urges the Commission to provide mobile service providers flexibility to address the needs and concerns of their customers in the highly competitive wireless market rather than impose costly, inflexible, and unduly burdensome customer notification requirements. To the extent the Commission should nevertheless decide to adopt customer notification rules, SouthernLINC Wireless agrees with RCA that the Commission should adopt flexible measures that would not unduly burden regional

¹⁰ / Comments of NTCA at 2.

¹¹ / *Id.* at 4.

¹² / Comments of RCA at 7 – 8.

and rural carriers or, in the alternative, delay implementation of its customer notification rules for regional and rural carriers.¹³

III. MULTI-LINE ENTERPRISE AND GOVERNMENT ACCOUNTS RAISE UNIQUE ISSUES AND SHOULD BE EXCLUDED FROM ANY NOTIFICATION REQUIREMENTS

In the *NPRM*, the Commission requested comment regarding how usage notifications and alerts should be provided in the case of “multi-line family plans.”¹⁴ Although the Commission properly recognizes that additional, more complex issues are involved with respect to the provision of usage alerts where multiple lines are assigned to or managed through a single account, SouthernLINC Wireless emphasizes that these issues go far beyond the typical “family plans” offered by most service providers.

In particular, individualized usage alerts such as those proposed by the Commission present a significant practical problem with respect to enterprise and government customers. These customers typically have multiple devices and end users – and sometimes multiple plans – under a single account. As Sprint Nextel noted, these accounts “often have dozens if not hundreds or thousands of users with complex billing arrangements typically managed by an account specialist.”¹⁵ In such cases, the end users who receive the alerts would generally not be the responsible billing party or the account holder, and while the account holder may be interested in controlling overage costs, the end user likely may not care.¹⁶

Enterprise and government customers are also generally more sophisticated and knowledgeable than individual consumers regarding account management and are already very

¹³ / Comments of RCA at 3 and 13.

¹⁴ / *NPRM* at ¶ 20.

¹⁵ / Comments of Sprint Nextel at 16.

¹⁶ / *See, e.g.*, Comments of T-Mobile at 23.

capable of monitoring and controlling their own usage levels, costs, and service plan options. Service providers also will tailor unique, individualized plans for enterprise and government customers, thus substantially increasing the complexity of providing any usage or overage alerts to such accounts.

For these reasons, SouthernLINC Wireless agrees with AT&T and Sprint Nextel that, to the extent the Commission should adopt any rules designed to prevent unanticipated wireless charges, these rules should not apply to enterprise or government customers.¹⁷ While AT&T and Sprint Nextel refer to “corporate” or “business” accounts, SouthernLINC Wireless emphasizes that this exemption should apply to all organizational accounts, including accounts with government agencies or bodies, public safety agencies, and other public service organizations. As discussed above, the application of any usage notification or similar requirements to these customers would be extraordinarily complex and would not contribute to the Commission’s consumer-protection goals.

¹⁷ / Comments of AT&T at 61 – 62; Comments of Sprint Nextel at 16.

WHEREFORE, THE PREMISES CONSIDERED, SouthernLINC Wireless respectfully requests the Commission to take action in this docket consistent with the views expressed herein.

Respectfully submitted,

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