

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

In the Matter of)	
)	
Empowering Consumers to Prevent and Detect Billing for Unauthorized Charges ("Cramming"))	CG Docket No. 11-116
)	
Consumer Information and Disclosure)	CG Docket No. 09-158
)	
Truth-in-Billing and Billing Format)	CC Docket No. 98-170

**REPLY COMMENTS OF THE
NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION**

The National Telecommunications Cooperative Association ("NTCA") hereby submits these reply comments in the above captioned proceeding and its accompanying Regulatory Flexibility Analysis.¹ All of NTCA's members are rural telephone companies as that term is defined in the Communications Act of 1934, as amended.² The members are full service telecommunications companies, most providing a wide array of telecommunications services, including wireless service, to their rural communities. NTCA supports efforts to combat the appearance of unauthorized charges on consumers' bills, but is concerned that the Commission's proposals may prove too costly for small, rural providers and unnecessary to protect their customers.

¹ *Empowering Consumers to Prevent and Detect Billing for Unauthorized Charges ("Cramming")*, CG Docket No. 11-116, *Consumer Information and Disclosure*, CG Docket No. 09-158, *Truth-in-Billing and Billing Format*, CC Docket No. 98-170, Notice of Proposed Rulemaking (rel. July 12, 2011).

² 47 U.S.C. §153(37).

“Cramming” is not a widely reported problem for rural carriers. Few rural wireline carriers provide third party billing services, most finding it not to be a cost-effective service to offer. However, as the Commission considers rules in this context, it should be particularly mindful of any unintended consequences or unnecessary expense that new rules would create for smaller carriers and their customers. Mandatory changes to carrier billing formats or customer notification requirements would prove extremely expensive with little, if any, benefit received in return. The Commission should therefore exercise restraint and make clear in any resulting Order that it does not intend to further regulate the billing practices of rural wireline carriers, absent specific complaints pursuant to existing law. Rather than mandate billing formats, NTCA agrees with ITTA that advocates and other industry stakeholders can voluntarily work with the Commission to build on existing industry practices to assist consumers in addressing cramming issues.³

NTCA also agrees with commenters who point out why anti-cramming measures would be inappropriate for small rural wireless providers.⁴ There are significant differences between wireline and wireless third-party billing practices and the expectations of wireline and wireless consumers. The charges that appear on wireless customers’ bills are different than those on wireline customers’ bills. Many charges on wireless bills are a result of goods or services purchased through, or related to, the customer’s handset – in other words, many of these third-party charges arise as a direct result of customer expectation and demand. Customers frequently place charges for mobile content on their handsets. There is also a wide range of service plans. They range from pure metered usage post-paid plans to pay-in-advance, flat-rate, all-you-can-

³ Comments of ITTA, pp. 1-2.

⁴ *See e.g.*, Comments of Verizon and Verizon Wireless, T-Mobile USA, Inc., Sprint Nextel Corporation, MetroPCS Communications, Inc., and Leap Wireless International, Inc. and Cricket Communications, Inc.

eat service plans, with innumerable combinations in between, each with its own billing policies and formats.

It is therefore important for the Commission to scope accurately the problem it is attempting to solve before promulgating solutions for any such perceived problem. The vast majority of cramming complaints are related to wireline services offered by large carriers, not wireless services.⁵ The industry has done a good job policing itself⁶ – and small providers, being located in the communities they serve and neighbors with the people they serve, have additional incentive to avoid confusion and be responsive to complaints. The changes proposed in the NPRM would require significant and expensive changes to existing billing systems, the cost of which would ultimately be borne by consumers. The cost of compliance is a burden that far outweighs the potential benefit of the rules.

If the Commission were to move forward with implementing cramming requirements, NTCA agrees with MetroPCS that it should only impose any such requirements on dominant wireless carriers.⁷ The top four nationwide service providers cover in excess of 87.5 percent of the U.S. population.⁸ Once any cramming requirements are mandated for the dominant wireless carriers who serve a national market, the market and competitive pressures will ensure that regional providers and small, rural carriers will continue to meet their consumers' needs. Moreover, large carriers can spread the cost of compliance over a large number of customers on a national

⁵ NPRM ¶ 53.

⁶ See, MMA's U.S. Consumer Best Practices, available at http://mmaglobal.com/Consumer_Best%20Practices_6.1%20Update-02May2011FINAL_MMA.pdf

⁷ Comments of Metro PCS, pp 18-19.

⁸ *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*, Fifteenth Report, WT Docket No. 10-133 ¶ 27 (rel. June 27, 2011).

basis, while small providers cannot. Changes to billing systems and software, the cost of which varies little depending on the size of the provider, disproportionately impact the bottom line of smaller companies. Exempting small rural providers provides flexibility, allowing the Commission to assess more carefully whether the rules adopted for larger carriers are necessary and cost-effective in the wireless context.

CONCLUSION

NTCA supports efforts to combat the appearance of unauthorized charges on consumers' bills, but is concerned that the Commission's proposals may prove too costly for small, rural providers and unnecessary to protect their customers. Rather than mandate billing formats, NTCA believes that advocates and other industry stakeholders can voluntarily work with the Commission to build on existing industry practices to assist consumers of small and rural carriers in addressing cramming issues. NTCA also points out that anti-cramming measures would be inappropriate for small rural wireless providers.

Respectfully submitted,



By: /s/ Jill Canfield
Jill Canfield
Director – Legal & Industry

4121 Wilson Boulevard
10th Floor
Arlington, VA 22203
(703) 351-2000

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CERTIFICATE OF SERVICE

I, Adrienne L. Rolls, certify that a copy of the foregoing Reply Comments of the National Telecommunications Cooperative Association in CG Docket No. 11-116, CG Docket No. 09-158, and CC Docket No.98170, DA 11-1860, was served on this 5th day of December 2011 by first-class, United States mail, postage prepaid, or via electronic mail to the following persons:

Julius Genachowski, Chairman
Federal Communications Commission
445 12th Street, SW, Room 8-B201
Washington, D.C. 20554
Julius.Genachowski@fcc.gov

Michael L. Glaser
Law Offices of Michael, L.L.C.
*Counsel for CTLD, BDP, CTI, and U.S.
Telecom*
mglaser@glaserlegal.com

Commissioner Michael J. Copps
Federal Communications Commission
445 12th Street, SW, Room 8-B115
Washington, D.C. 20554
Michael.Copps@fcc.gov

Steven A. Augustino
Joshua T. Guyan
KELLEY DRYE & WARREN LLP
*Counsel for BOP, ISG, IBA, BVO, ISO, SEP,
OBA, and PC Protect*
3050 K Street, N.W., Suite 400
Washington, D.C. 20007

Commissioner Robert M. McDowell
Federal Communications Commission
445 12th Street, SW, Room 8-C302
Washington, D.C. 20554
Robert.McDowell@fcc.gov

Kathleen O'Brien Ham
Luisa L. Lancetti
Indra Sehdev Chalk
T-MOBILE USA, INC.
601 Pennsylvania Ave., NW
North Building - Suite 800
Washington, D.C. 20004

Commissioner Mignon Clyburn
Federal Communications Commission
445 12th Street, SW, Room 8-A302
Washington, D.C. 20554
Mignon.Clyburn@fcc.gov

David Grant
Gary L. Phillips
Paul K. Mancini
Counsel for AT&T Services, Inc.
1120 20th Street, NW, Suite 1000
Washington, D.C. 20036

Best Copy and Printing, Inc.
Federal Communications Commission
445 12th Street, SW, Room CY-B402
Washington, D.C. 20554
fcc@bcpweb.com

Steven D. Hughey
MPSC, Public Service Division
6545 Mercantile Way, Suite 15
Lansing, MI 48911

Edward Shakin
Mark J. Montano
VERIZON
1320 North Courthouse Rd., Ninth Floor
Arlington, VA 22201

Genevieve Morelli
Micah M. Caldwell
ITTA
1101 Vermont Ave., NW, Suite 501
Washington, D.C. 20005
gmorelli@itta.us
mcaldwell@itta.us

Barry A. Friedman
Thompson Hine LLP
Counsel for 1 800 COLLECT, INC.
1920 N Street, N.W., Suite 800
Washington, D.C. 20036

Carl W. Northrop
Michael Lazarus
Andrew Morentz
Jessica DeSimone
Telecommunications Law Professionals
PLLC
Counsel for MetroPCS
875 15th Street, NW
Washington, DC 20005

Mark A. Stachiw
Counsel for MetroPCS
2250 Lakeside Blvd., Suite 750
Richardson, TX 75082

Charlie Acquard
NASUCA
8380 Colesville Rd., Suite 101
Silver Spring, MD 20910

Craig F. Graziano
NASUCA Consumer Protection Committee
Iowa Department of Justice
1375 East Court Ave., Room 63
Des Moines, IA 50319-0063

Robert J. Irving Jr.
Patrick J. Shipley
Leap Wireless International, Inc.
5887 Copley Dr.
San Diego, CA 92111

James H. Barker
Alexander Maltas
LATHAM & WATKINS LLP
*Counsel for Leap Wireless International,
Inc. and Cricket Communications, Inc.*
555 11th Street NW, Suite 1000
Washington, D.C. 20004

Kenneth E. Hardman
Counsel for CMA
2154 Wisconsin Ave., NW, Suite 250
Washington, D.C. 20007-2280
kenhardman.law@gmail.com

Richard H. Gordin
Steven A. Lancellotta
BUTZEL LONG TIGHE PATTON PLLC
Counsel for PaymentOne Corporation
1747 Pennsylvania Ave., NW - Suite 300
Washington, D.C. 20006-4604

Michael R. Bennet
Daryl A. Zakov
Bennet & Bennet, PLLC
Counsel for Wheat State
4350 East West Highway, Suite 201
Bethesda, MD 20814

TCA, Inc.-Telcom Consulting Associates
526 Chapel Hills Dr., Suite 100
Colorado Springs, CO 80920

Michael Balch
Iowa Utilities Board
1375 E. Court Ave., Room 69
Des Moines, IA 50319-0069
Mike.Balch@iub.iowa.gov

Doug Webber
Indiana Utility Regulatory Commission
101 W. Washington St., Suite 1500 E
Indianapolis, IN 46204

Curtis L. Hopfmger
Securus Technologies, Inc.
14651 Dallas Pkwy, sixth Floor
Dallas, TX 75254

Glenn S. Richards
VON COALITION
2300 N Street, NW
Washington, D.C. 20037

Shana Knutson
NPSC
300 The Atrium Building
1200 N Street
Lincoln, NE 68508

Kimberly J. Lippi
CPUC
505 Van Ness Ave.
San Francisco, CA 94102
kjl@cpuc.ca.gov

Brian M. Josef
Michael F. Altschul
Christopher Guttman-McCabe
CTIA–The Wireless Association®
1400 16th Street, NW, Suite 600
Washington, D.C. 20036

Kathryn Marie Krause
CentruyLink
1099 New York Ave., NW, Suite 250
Washington, D.C. 20001
KathrynKrause@CenturyLink.com

Kenneth C. Hill
TRA
460 James Robertson Parkway
Nashville, IN 37243-0505

Michael D. Saperstein, Jr.
Frontier Communications Corporation
2300 N Street NW, Suite 710
Washington, D.C. 20037

Parul P. Desai
Consumers Union
Counsel for Public Interest Commenters
1101 17th Street, NW, Suite 500
Washington, D.C. 20036

Kelli Petronis Cubeta
Billing Concepts, Inc.
7411 John Smith Dr., Suite 200
San Antonio, TX 78229

William M. Nugent
NECPUC
50 Forest Falls Dr., Suite 6
Yarmouth, ME 04096
director@necpuc.org

Kerri J. DeYoung
Mass. Dep't of Telecom & Cable 1000
Washington St., Suite 820
Boston, MA 02118-6500
Kerri.DeYoung@state.ma.us

John D. Breyault
NATIONAL CONSUMERS LEAGUE
1701 K Street, NW Suite 1200
Washington, D.C. 20006

/s/ Adrienne L. Rolls
Adrienne L. Rolls