

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

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

To: The Bureau of Consumer and Governmental Affairs

**REPLY COMMENTS OF AT&T, INC.**

AT&T Inc. (AT&T), on behalf of its subsidiaries, respectfully submits these reply comments in response to the Bureau's Public Notice ("PN") in the dockets captioned above, wherein the Bureau seeks to refresh the record regarding "cramming."<sup>1</sup>

1. **WIRELESS BILLING.** AT&T agrees with and incorporates in these reply comments the position set out by CTIA in its comments. Indeed, shortly after the CTIA's comments were filed, AT&T voluntarily decided to discontinue billing for premium short message service ("PSMS") content. While cramming complaints from wireless customers are very infrequent PSMS has been the largest source of wireless cramming complaints.<sup>2</sup> The already low rate of wireless cramming<sup>3</sup> complaints should now decline even more.

Consumers want and benefit from the convenience that mobile payment services afford. The efforts jointly undertaken by the wireless industry have sought to address the greatest source of concern voiced by consumers and regulators alike, while still allowing wireless third party

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<sup>1</sup> DA-13-1807 (Released August 27, 2013).

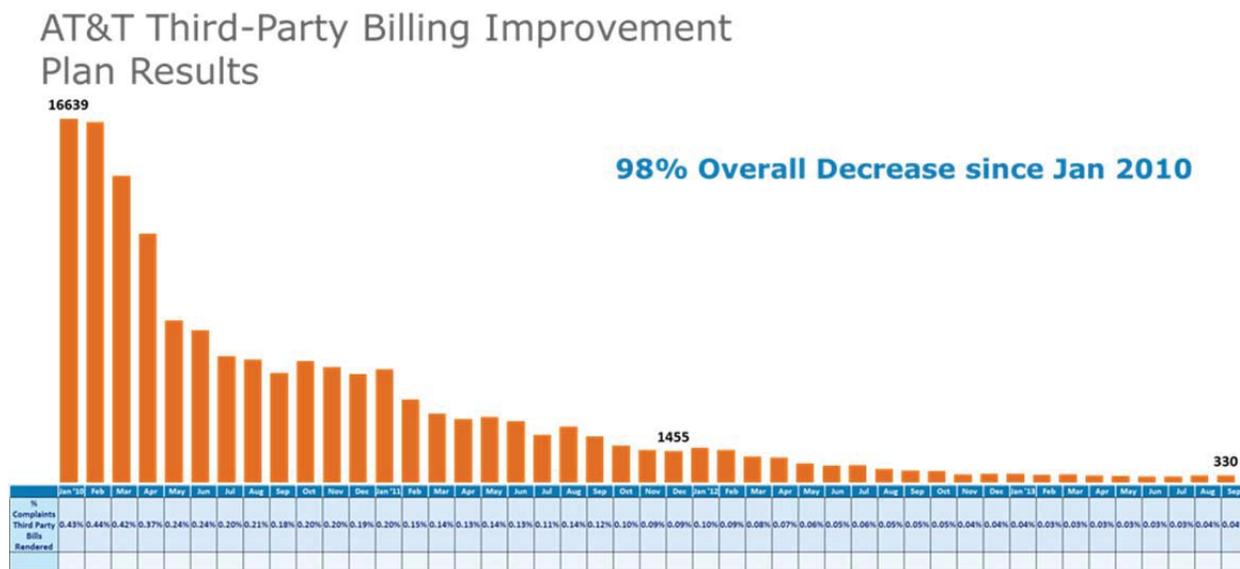
<sup>2</sup> Vt. AG: 3 firms end extra cellphone bill charges, November 22, 2013, available at <http://imsomobile.com/carriers/vt-ag-3-firms-end-extra-cellphone-bill-charges.html>.

<sup>3</sup> "[T]he Commission's own data indicates (*sic*) that between 2008 and 2011, just 0.000156% of wireless consumers complained about wireless cramming, a ratio of one complaint per 641,532 wireless subscriber units per year." In the Matter of Empowering Consumers to Prevent and Detect Billing for Unauthorized Charges ("Cramming") Consumer Information and Disclosure Truth-in-Billing and Billing Format, CG Docket No. 11-116; CG Docket No. 09-158; CC Docket No. 98-170, Comments of CTIA at 2 ("CTIA Comments").

billing to connect consumers to the mobile services and content they demand. AT&T therefore urges the Commission to recognize the voluntary efforts being made by wireless carriers to protect wireless consumers and strike a balance between protection of wireless consumers and encouragement of wireless innovation in products and services.

## 2. WIRELINE BILLING.

AT&T and other LECs have ceased to provide billing for third-party, non-telecommunications service providers.<sup>4</sup> A number of commenters argue that, while this move is laudatory, it is insufficient to curb cramming abuses and, in any event, cramming opportunities continue to exist in the LECs' on-going billing for third-party telecommunications service.<sup>5</sup> In AT&T's case, these concerns are misplaced.



The chart above displays the improvement in cramming complaints resulting from AT&T's vigorous efforts to make sure that consumers are not charged for things they have not bought. The number of complaints has decreased from 16,639 in January 2010 to 330 in Sep-

<sup>4</sup> AT&T does continue to bill for certain third-party charges like state administrative fees, taxes, and the like.  
<sup>5</sup> See, e.g. Supplemental Comments of California Public Utilities Commission; Supplemental Comments of the National Association of State Utility Consumer Advocates; Comments of Center for Media Justice, Citizens Utility Board, Consumer Action, and Consumer Federation.

tember 2013. Expressed as a percentage of complaints for all third party bills rendered, it is 0.04% - effectively zero. This result is due, in part, to AT&T's decision to cease billing for third-party non-carriers;<sup>6</sup> however, the overall downward trend pre-dates both that decision and the Commission's 2012 cramming order. Clearly, the cost of additional regulation – particularly on new and fast-growing services like VoIP – will entirely outweigh whatever marginal improvement in AT&T's 0.04% cramming complaint rate they might produce. In short, with a cramming complaint rate that is all but zero, there is no benefit at all to be had from the additional cost of new regulation in this area.

Many commenters who profess to find on-going, serious cramming violations in wireline billing propose an “opt in” solution.<sup>7</sup> Such a solution, however, would prove impracticable to implement and laboriously inconvenient for consumers. Were all third party billing permitted only upon the prior express consent of the subscriber (except for affiliates and long distance as some commenters suggest), billing for operator services, for example, would require use of a credit card or time-consuming – and expensive – customer service attention to secure the required opt-in. Directory assistance, collect calling, and other such services would become more expensive and burdensome to both the consumer and the carrier. Given the near zero rate of cramming complaints for AT&T's LECs, an opt-in requirement seems to be a solution in search of a problem.

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<sup>6</sup> AT&T continues to bill for third-party *carrier* charges.

<sup>7</sup>See, e.g., Supplemental Comments of The California Public Utilities Commission and the People of the State of California at ¶ 7, Comments of The Massachusetts Department of Telecommunications and Cable at 4.

CONCLUSION

For the forgoing reasons, AT&T urges the Commission to refrain from further unnecessary cramming regulation of those wireline carriers that no longer provide third-party billing for non-carrier products and services. In addition, AT&T believes that the Commission should seek a position that protects wireless customers from unscrupulous marketing practices while continuing to encourage innovations in the wireless marketplace.

Respectfully submitted,



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